

1 JOHN D. GIFFIN, CASB No. 89608
john.giffin@kyl.com
2 VALERIE I. HOLDER, CASB No. 326667
valerie.holder@kyl.com
3 KEESAL, YOUNG & LOGAN
A Professional Corporation
4 450 Pacific Avenue
San Francisco, California 94133
5 Telephone: (415) 398-6000
Facsimile: (415) 981-0136
6

Attorneys for Specially Appearing Defendants
7 ADVANTAGE SPRING SHIPPING, LLC, ADVANTAGE TANKERS, LLC,
and FLEETSCAPE SPRING LLC
8

9 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA

10 PSARA ENERGY, LTD.,) Case NO. 3:20-CV-04102-WHO
11)
Plaintiff,) **DECLARATION OF MARC G.**
12) **MATTHEWS**
vs.)
13)
SPACE SHIPPING LTD., GEDEN HOLDINGS)
14 LTD.; ADVANTAGE SPRING SHIPPING,) Date: June 26, 2020
LLC; GENEL DENIZCILIK NAKLIYATI A.S.) Time: 10:00 a.m.
15 A/K/A GEDEN LINES; ADVANTAGE) Place: Courtroom 2, 17th Floor
TANKERS, LLC; MEHMET EMIN) Judge: Hon. William H Orrick
16 KARAMEHMET; GULSUN NAZLI)
KARAMEHMET-WILLIAMS; TUGRUL)
17 TOKGOZ; MEHMET MAT; FLEETSCAPE)
SPRING, LLC; FLEETSCAPE ADVANTAGE)
18 HOLDINGS, LLC,)
Defendants.)
19)
20

21 I, MARC G. MATTHEWS, declare as follows:

22 I am an attorney duly licensed to practice in all state and federal courts in Texas. I am
23 counsel of record for ADVANTAGE ARROW SHIPPING, LLC; ADVANTAGE START
24 SHIPPING, LLC; ADVANTAGE TANKERS, LLC; ADVANTAGE HOLDINGS, LLC; and
25 FORWARD HOLDINGS, LLC (the "Advantage Defendants") in the matter entitled *Psara Energy,*
26 *Ltd. v. Space Shipping Ltd. et al.* pending in the Federal District Court for the Eastern District of
27 Texas, Beaumont Division, before Magistrate Judge Zack Hawthorn and District Judge Marcia Crone.
28 My partner Kevin LaVie was counsel of record for the Defendants in the matter entitled *Psara*

1 *Energy, Ltd. v. Space Shipping Ltd. et al.* pending in the Federal District Court for the Eastern District
2 of Louisiana, and I assisted Mr. LaVie in that case and also appeared on behalf of the Advantage
3 Defendants at the hearing on the Advantage Defendants' Motion to Vacate. As such, I have personal
4 knowledge of the facts set forth below and if called upon to testify thereto I would be competent to do
5 so:

6 1. Plaintiff, Psara Energy, Ltd. through its counsel of record in Houston, Texas
7 filed lawsuits in the Federal District Court for the Eastern District of Texas and later in the Federal
8 District Court for the Eastern District of Louisiana (the "Texas action" and the "Louisiana action")
9 alleging virtually identical claims and seeking recovery for the same alleged damages.

10 2. Attached hereto as Exhibits A and B are true and correct copies of those
11 virtually identical complaints.

12 3. In both the Texas action and the Louisiana action Plaintiff, through its counsel,
13 sought to attach vessels pursuant to Rule B in order to secure the same claim. Plaintiff's demand to the
14 Courts for security in both matters was in excess of \$18,000,000.

15 4. After substantial briefing and oral argument, Magistrate Judge Hawthorn in the
16 Texas action found that Plaintiff's claim for damages was overstated and set security at \$4,000,0000.
17 Attached hereto as Exhibit C is a copy of Magistrate Judge Hawthorn's Order of May 4, 2018, setting
18 security at \$4,000,000.

19 5. The Advantage Defendants posted a Release Bond in that amount. Attached
20 hereto as exhibit D is a true and correct copy of that Bond.

21 6. On the same day Plaintiff attached the vessel in Texas, Plaintiff also attached a
22 vessel in New Orleans pursuant to Rule B and made the identical allegations of liability and damages
23 against the same defendants and seeking security in the same amount sought in Texas, in excess of
24 \$18,000,000. The Judge in the Louisiana action refused their demand but required an additional bond
25 of \$800,000 for alleged towing costs, evidence of which had been purportedly unavailable to Plaintiff
26 when Magistrate Judge Hawthorn set security in the Texas action.

27 7. Attached hereto as Exhibit E is a copy of the Order of Judge Lemelle in the
28 Louisiana action setting an additional bond of \$800,000.

1 8. Also, attached hereto as Exhibit F is a transcript of the hearing before Judge
2 Lemelle in New Orleans in which he stated that if Plaintiff were to demand additional security through
3 subsequent attachment of additional vessels, such could be evidence of bad faith (*see* pages 23-27 of
4 the transcript).

5 9. A bond in the amount of \$800,000 was posted by the Advantage Defendants.
6 Attached as Exhibit G is a copy of that bond.

7 10. Thereafter the Louisiana action was transferred to Texas and consolidated with
8 the prior Texas action pending before District Judge Crone and Magistrate Judge Hawthorn.

9 11. The Texas action is still pending and Judge Crone has maintained jurisdiction
10 over the dispute, including the issue of security.

11 12. The Plaintiff has not applied to the Court in the Texas Action for additional
12 security.

13
14 I declare under the laws of the State of California that the foregoing is true and correct.

15 Executed at Belfast, Maine on June 23, 2020.

16
17
18 
19 MARC G. MATTHEWS

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION**

PSARA ENERGY, LTD.

Plaintiff

**SPACE SHIPPING, LTD.; GEDEN HOLDINGS:
LTD.; ADVANTAGE ARROW SHIPPING,
LLC; GENEL DENIZCILIK NAKLIYATI A.S. A/K/A
GEDEN LINES; ADVANTAGE
TANKERS, LLC; ADVANTAGE HOLDINGS,
LLC; FORWARD HOLDINGS, LLC;
MEHMET EMIN KARAMEHMET;
GULSUN NAZLI KARAMEHMET -
WILLIAMS; and TUĞRUL TOKGÖZ**

Defendants

No. 1:18-cv-00178

ADMIRALTY

PLAINTIFF'S ORIGINAL VERIFIED COMPLAINT

Plaintiff PSARA ENERGY, LTD., by and through undersigned counsel, for its Verified Complaint against Defendants: SPACE SHIPPING LTD.; GEDEN HOLDINGS, LTD.; ADVANTAGE ARROW SHIPPING, LLC; GENEL DENIZCILIK NAKLIYATI A.S. A/K/A GEDEN LINES; ADVANTAGE TANKERS, LLC; ADVANTAGE HOLDINGS, LLC; FORWARD HOLDINGS, LLC; MEHMET EMIN KARAMEHMET; GULSUN NAZLI KARAMEHMET - WILLIAMS; and TUĞRUL TOKGÖZ alleges and pleads as follows:

I. JURISDICTION, VENUE, AND PARTIES

1. This is an admiralty and maritime claim within the meaning of rule 9(h) of the Federal Rules of Civil Procedure in that it involves claims for the breach of a maritime contract, *i.e.* an executed bareboat charter party for the employment of a seagoing cargo vessel. This case also falls under this court's admiralty and maritime jurisdiction pursuant to 28 U.S.C. § 1333, and is brought under the provisions of Rule B of the Supplemental Rules for Certain Admiralty or

Maritime Claims, and Asset Forfeiture Actions (hereinafter “Supplemental Rule B”) and the Federal Arbitration Act, 9 U.S.C. §§ 4, 8 in aid of maritime arbitration.

2. At all times material hereto Plaintiff, PSARA ENERGY, LTD. (hereinafter “PSARA” or “Plaintiff”), was a corporation organized under the laws of the Republic of the Marshall Islands and the registered owner of the Motor Tanker CV STEALTH (hereinafter “CV STEALTH” or “Vessel”), a crude oil tanker vessel registered in Malta.

3. At all times material hereto Defendant, SPACE SHIPPING, LTD. (hereinafter “SPACE”), was and is a foreign company organized under the laws of Malta and the bareboat charterer of the M/T CV STEALTH under a bareboat charter party contract dated February 23, 2010 (“the bareboat charter”). A copy of the bareboat charter and addenda thereto are attached to this Original Verified Complaint as **EXHIBIT 1**. Though SPACE is incorporated in Malta, the business of SPACE is actually carried on entirely by Defendant GENEL DENIZCILIK NAKLIYATI A.S. a/k/a GEDEN LINES from the office facilities of GEDEN LINES at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

4. At all times material hereto GEDEN HOLDINGS, LTD. (hereinafter “GEDEN HOLDINGS”), was and is a foreign company organized under the laws of Malta with its operating office at the office facilities of GEDEN LINES at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey. Though GEDEN HOLDINGS is incorporated in Malta, its business is actually carried on entirely by GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

5. At all times material hereto Defendant ADVANTAGE ARROW SHIPPING, LLC (hereinafter “ADVANTAGE ARROW SHIPPING”), was and is a limited liability company organized under the laws of the Republic of the Marshall Islands, and the registered owner of the

Motor Tanker ADVANTAGE ARROW, a tanker vessel registered in the Marshall Islands, with IMO No. 9419448 and international call sign V7KZ7. Though ADVANTAGE ARROW SHIPPING is incorporated in the Marshall Islands, its business is actually carried on entirely by Defendant GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

6. At all times material hereto Defendant GENEL DENIZCILIK NAKLIYATI A.S. a/k/a GEDEN LINES (hereinafter "GEDEN LINES"), was and is a foreign corporate entity organized under the laws of Turkey with its principal place of business located at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Tukey.

7. At all times material hereto ADVANTAGE TANKERS, LLC (hereinafter "ADVANTAGE TANKERS"), was a foreign limited liability company organized under the laws of the Marshall Islands. ADVANTAGE TANKERS, LLC is a holding company that owns 100% of Defendant ADVANTAGE ARROW SHIPPING. Though ADVANTAGE TANKERS is incorporated in the Marshall Islands, its business is actually carried on entirely by Defendant GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

8. At all times material hereto ADVANTAGE HOLDINGS, LLC (hereinafter "ADVANTAGE HOLDINGS"), was a foreign limited liability company organized under the Laws of the Marshall Islands. ADVANTAGE HOLDINGS, LLC is a holding company that owns 100% of Defendant ADVANTAGE TANKERS. Though ADVANTAGE HOLDINGS is incorporated in the Marshall Islands, its business is carried on entirely by Defendant GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

9. At all times material hereto FORWARD HOLDINGS, LLC (hereinafter "FORWARD HOLDINGS"), was a foreign limited liability company organized under the laws of the Marshall Islands. FORWARD HOLDINGS, LLC is a holding company that owns 100% of Defendant ADVANTAGE HOLDINGS. Though FORWARD HOLDINGS is incorporated in the Marshall Islands, its business is actually carried on entirely by Defendant GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

10. At all times material hereto MEHMET EMIN KARAMEHMET (hereinafter "EMIN KARAMEHMET"), is an individual person and a citizen and resident of the Republic of Turkey and, respectively, through a Panamanian corporation that he entirely controls - Buselten Finance, S.A - is the 100% shareholder of GEDEN HOLDINGS and SPACE SHIPPING. Through another Turkish business entity he controls - Cukurova Holdings - he is 100% shareholder of Defendant GEDEN LINES.

11. At all times material hereto, Tuğrul Tokgöz (hereinafter "TOKGÖZ") is an individual person and a citizen of the Republic of Turkey and a resident of Turkey. TOKGÖZ is the Chief Executive Officer of ADVANTAGE ARROW SHIPPING; ADVANTAGE TANKERS; and a director of GEDEN HOLDINGS and GEDEN LINES and, through the intermediary holding companies FORWARD HOLDINGS, ADVANTAGE HOLDINGS, is 15% controlling shareholder of ADVANTAGE TANKERS.

12. At all times material hereto, GULSUN NAZLI KARAMEHMET-WILLIAMS (hereinafter "KARAMEHMET WILLIAMS") is an individual person and a dual citizen of the Republic of Turkey and the Swiss Confederation, and a resident of the United Kingdom. KARAMEHMET WILLIAMS is the adult daughter and only child of EMIN KARAMEHMET,

and through the intermediary holding companies FORWARD HOLDINGS, ADVANTAGE HOLDINGS, she is the 85% controlling shareholder of ADVANTAGE TANKERS.

13. The jurisdiction of this Honorable Court is founded on the presence within the District of property of the Defendants, to wit: the M/T ADVANTAGE ARROW that may be attached by process of maritime attachment and garnishment under the provisions of Rule B of the Supplemental Rules as pled more fully in Section V of this Verified Complaint.

II. THE SUBSTANTIVE CLAIMS

14. Under the bareboat charter party dated February 23, 2010 and addenda thereto dated: June 2, 2010; June 21, 2010; and January 29, 2010, Plaintiff chartered its vessel CV STEALTH for a “a term of 5 years straight period +/- 30 days in Charterer's option plus 1 or 2 years optional year(s) declaration by Charterers 5 months prior end of the firm period” to “Geden Holdings Limited,¹ Malta or nominee always guaranteed by Geden Line.” See **EXHIBIT 1**, box 21. The vessel was delivered to the service of the nominee of GEDEN HOLDINGS, *i.e.* SPACE, and to GEDEN LINES, and was used and operated for profit by them as part of GEDEN LINES’ non-owned, chartered-in fleet.

15. By subsequent addendum to the bareboat charter, GEDEN HOLDINGS became the performance guarantor of SPACE. See **EXHIBIT 1**. See also Addendum dated June 2, 2010, and performance guarantee of GEDEN HOLDINGS, dated March 4, 2010 hereto attached as **EXHIBIT 2**.

16. Under Part II Clause 10 of the bareboat charter, SPACE was obligated to maintain the vessel in a good state of repair, with all of her class certificates up to date.

¹ Geden Holdings Limited (hereinafter “Geden Holdings”) was a holding company incorporated in Malta. It held 100% of the shares of SPACE and 100% of the shares of several one-ship-companies as is more specifically pled in this Original Verified Complaint.

17. Under Part II Clause 15 of the bareboat charter, SPACE was obligated to redeliver the vessel at the end of the bareboat charter party term “...in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.” Moreover, the same clause provides that “...upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed...”.

18. Under Part II Clause 17 of the bareboat charter, SPACE was obligated “to indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the vessel by the Charterers...” and under Rider Clause 9, SPACE, as charterer undertook to indemnify the owners of the vessel “against, all costs charges, expenses, claims proceedings (whether civil or criminal), liabilities, losses, penalties, duties and fees...and taxes thereon suffered or incurred by the Owners arising directly or indirectly in any manner out of the possession, management, control, chartering, sub-chartering...use, operation, return, redelivery...of the Vessel...and regardless of when the same shall arise”.

19. Pursuant to clause 7 of a Settlement Agreement dated 8 December 2016, and entered into between Plaintiff as Owners, in settlement of interim disputes regarding an outstanding arbitration award in favor of Owners for unpaid charter hire; and Defendant SPACE as Charterers, and Geden Holdings as performance guarantors, the hire amount payable under the Charterparty was amended to USD 9,875 per day from 1 January 2017 onwards.

20. Plaintiff delivered the vessel into the bareboat chartered service and rendered the contractual performance required of it. However, Defendant SPACE (hereinafter also referred to as “Charterer”), though possessing and using the CV STEALTH, has failed and refused to perform

its obligations under the bareboat charter party contract, and is in breach thereof as is further pled below.

21. On April 10, 2014, SPACE time chartered the Vessel to ST Shipping & Transport Pte. Ltd. (hereinafter “ST”), a Singapore business entity, for a term of approximately twelve months. ST, operating out of its Stamford, Connecticut branch office, where it is registered as a foreign corporation and carries on business as a cargo ship operator, sub-chartered the vessel on a voyage charter party dated September 4, 2014 to lift a cargo up to 400,000 barrels of Venezuelan crude oil from Puerto La Cruz for discharge at a terminal in the U.S.A.

22. The Vessel was directed by ST to Puerto la Cruz, Venezuela to load her cargo where after arriving, and tendering her notice of readiness to load, she was boarded by local police and prosecutorial authorities on or about September 13, 2014 and was detained by them on suspicion of attempting to carry a stolen cargo of crude oil.

23. At Puerto La Cruz, the CV STEALTH was further detained by court order, and at the request of the prosecutorial authorities, for a period exceeding three years, which was beyond the agreed bareboat charter party contractual redelivery date.

24. Under the terms of the bareboat charter, the latest date for the redelivery of the CV STEALTH to Plaintiff was on June 22, 2015. However, SPACE, in breach of the bareboat charter, failed to redeliver her to Plaintiff - her lawful owner - and at the same time was failing to pay hire as the bareboat charter requires.

25. Owners commenced London maritime arbitration to enforce their claims against SPACE for unpaid hires. The arbitration tribunal ruled in favor of Plaintiff, requiring SPACE to

keep paying monthly bareboat charter hire until the Vessel was released and was actually redelivered to Plaintiff.

26. On October 3, 2017, SPACE claimed the Venezuelan authorities' detention of the CV STEALTH had terminated and gave PSARA notice of its intent to redeliver the Vessel within approximately 30 days. However, the Vessel was incapable of being redelivered as she was out of class with her attending classification society the American Bureau of Shipping. Moreover, the Vessel was so extensively damaged due to SPACE's neglect and lack of maintenance throughout her 3 years long detention that she was incapable of sailing under her own power and was in need of extensive repairs.

27. Ultimately SPACE arranged to have the vessel towed from Puerto La Cruz, Venezuela to Port of Spain, Trinidad where she was redelivered and taken over by Plaintiff's personnel on or about March 24, 2018 out of class, and in the same heavily damaged condition as she was before she was towed by SPACE to Port of Spain.

Breach of Charterers' Maintenance/Redelivery Obligations

28. Pursuant to Clause 10(a) of Part II the bareboat charter, SPACE was under an obligation to keep the Vessel well maintained and in a good state of repair throughout the duration of the charter. SPACE was also under an obligation to keep the Vessel's Class fully up to date and to maintain all other necessary certificates in full force at all times.

29. Further, pursuant to Clause 15 of Part II of the bareboat charter, SPACE was obliged to: redeliver the Vessel to Owners "in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted; " with her survey cycles up to date and trading and class certificates valid. Box 17 of part I of the bareboat charter required the Vessel to have passed her Special Survey dry docking without

extensions.

30. In breach of Clauses 10(a) and/or 15 of Part II and/or Box 17 of the bareboat charter, SPACE did not undertake any (or any non-negligible) maintenance on the Vessel, which since September 2014, failed to pass her Special Survey dry docking, and instead redelivered the Vessel in a severely damaged condition on 24 March 2018 with all Class and statutory certificates expired.

31. The work needed in order for the Vessel to be restored to the required redelivery condition; to pass Special Survey; and to have all Class and statutory certificates reinstated, includes the following non-exhaustive list of works:

- (i) complete overhauling and/or repair and/or replacement of all machinery and equipment and extensive renewals of major and miscellaneous spares;
- (ii) extensive piping system renewals, overhauling of valves, sensors and gauges;
- (iii) full hull and deck blasting and extensive steel renewals and recoating;
- (iv) extensive renewal of outfitting, supports, ladders;
- (v) extensive steel renewals in cargo and ballast tanks;
- (vi) re-tubing and/or replacement of auxiliary boilers and exhaust gas boilers;
- (vii) overhauling and renewal of cargo system, cargo piping, cargo monitoring and cargo equipment and machinery;
- (viii) steam lines and heating coils renewals;
- (ix) deck machinery overhauling and renewal including cranes and their hydraulic systems;
- (x) electrical, electronics and automation system service, repair and renewal;
- (xi) extensive rewiring;
- (xii) bridge navigation and communication equipment service and renewals;

- (xiii) overhauling, repairs and renewal of steering and shafting system;
- (xiv) overhauling, service, repair and renewals of all safety equipment, firefighting systems and appliances including lifesaving equipment; and
- (xv) fitting of ballast water treatment system.

32. As a consequence of the extensive damage to the Vessel, it would cost more to tow her to repair facilities and repair her than her (repaired) market value. Plaintiff, the Owner of the Vessel, has submitted in London Maritime arbitration a claim for damages in an amount equivalent to the (repaired) market value of the Vessel, which is USD 18,000,000.00 (EIGHTEEN MILLION U.S. DOLLARS).

Unpaid Bareboat Charter Hire

33. SPACE has failed to pay outstanding hire that was earned during the month of February 2018, for which PSARA has obtained an award from the London maritime arbitration tribunal - that has jurisdiction over the merits of the case - in the amount of USD 276,500. In addition to this amount, the arbitration tribunal has awarded PSARA Pounds Sterling 4,550.00 (USD 6,515.50) by way of arbitration costs for this particular reference relating to the February 2018 charter hire, with annual interests on each of the two amounts at the rate of 5%, compounded quarterly.

34. SPACE has also failed to pay Plaintiff the charter hire for the month of March 2018 in the amount of USD 233,708.33, which Plaintiff is claiming in the ongoing London maritime arbitration. This amount is also claimed in London maritime arbitration.

III. UNDERLYING PROCEEDINGS ON THE MERITS

35. Box 35 and clause 30(a) of the bareboat charter party (**EXHIBIT 1**) provide for arbitration of all disputes arising out of the contract in London.

36. Plaintiff is claiming in London maritime arbitration the amount of USD 18,000,000.00 (EIGHTEEN MILLION U.S. DOLLARS) as the repaired value of the vessel; and the unpaid hire for the month of March 2018 in the amount of USD 233,708.33, together with interest and costs.

37. Plaintiff is also owed charter hire for the month of February 2018 under the London maritime arbitration award together with arbitration costs in the total amount of USD 283,015.50.

38. Plaintiff estimates the legal costs that will be incurred to pursue these claims in London maritime arbitration proceedings will be approximately USD 400,000.00. As it is customary in London arbitration, legal costs, including lawyers' fees, are awarded to the prevailing party.

39. This action is an ancillary proceeding, brought to obtain jurisdiction over Defendant Charterer and to obtain security for Plaintiff's claims in the London maritime arbitration proceedings.²

IV. IDENTITY OF THE CORPORATE AND INDIVIDUAL DEFENDANTS AND THEIR INTERRELATIONSHIPS

40. In June of 2015, when SPACE had fallen substantially in arrears in its bareboat charter hire payment obligations, and the contractual redelivery of the Vessel to Plaintiff was approaching, Plaintiff became concerned and made enquiries regarding the status of the CV STEALTH and the other crude oil tanker vessels that were being operated by Defendant GEDEN HOLDINGS. Plaintiff was astounded to discover the entire "owned" – as opposed to the

² Plaintiff is also filing a Rule B attachment against another vessel of Defendant in the Eastern District of Louisiana, in which it has sought the attachment of the M/T ADVANTAGE START. It appears from the Marshall Islands mortgage records of the said vessel that the equity of the Defendants in the said vessel is approximately \$ 8,000,000.00 and therefore insufficient to secure Plaintiff's claim, considering the lender mortgagee's interest.

“chartered-in” fleet - of GEDEN HOLDINGS had been surreptitiously transferred to new owners, as shown in **TABLE I** below:

TABLE I

VSL FORMER NAME	FORMER OWNER	VSL NEW NAME	NEW OWNER
PROFIT	Profit Shipping, Ltd.	ADVANTAGE SOLAR	Advantage Solar Shipping, LLC
TARGET	Target Shipping, Ltd.	ADVANTAGE ARROW	Advantage Arrow Shipping, LLC
TRUE	True Shipping, Ltd.	ADVANTAGE AVENUE	Advantage Avenue Shipping, LLC
BLUE	Blue Shipping, Ltd.	ADVANTAGE SKY	Advantage Sky Shipping, LLC
PINK	Pink Shipping, Ltd.	ADVANTAGE SUMMER	Advantage Summer Shipping, LLC
BLANK	Blank Shipping, Ltd.	ADVANTAGE START	Advantage Start Shipping, LLC
REEF	Reef Shipping, Ltd.	ADVANTAGE SPRING	Advantage Spring Shipping, LLC
BRAVO	Bravo Shipping, Ltd.	ADVANTAGE ATOM	Advantage Atom Shipping, LLC
POWER	Barbaros Maritime, Ltd.	ADVANTAGE ANTHEM	Advantage Anthem Shipping, Ltd.
VALUE	Value Shipping, Ltd.	ADVANTAGE AWARD	Advantage Award Shipping, LLC
ROYAL	Prima Shipping, Ltd.	ADVANTAGE SUN	Advantage Sun Shipping, Ltd.

41. Not only had the said vessels been transferred to new corporate owners, but they had been renamed and reflagged from the Maltese shipping register to that of the Marshall Islands.

42. Investigation into the ship register/ship mortgage record of the Republic of the Marshall Islands revealed that all of the above 11 crude oil tanker vessels which were formerly owned by one-ship-companies, and in turn, 100% controlled by shareholder GEDEN HOLDINGS, had been transferred in approximately the first 5 months of 2015 - without any notice to or the knowledge of Plaintiff - to new one-ship-companies 100% controlled by a new holding company:

ADVANTAGE TANKERS, LLC. ADVANTAGE TANKERS is ultimately 85% controlled by the daughter and only child of Defendant EMIN KARAMEHMET, *i.e.* Defendant KARAMEHMET WILLIAMS and 15% by Defendant TOKGÖZ. The said ship mortgage records contain a diagrammatic representation of the said new ownership structure which is hereto attached as **EXHIBIT 3**.

A. SUCCESSOR CORPORATION RELATIONSHIP

43. The grouping of the following corporate entities: ADVANTAGE TANKERS; its subsidiary ADVANTAGE ARROW SHIPPING; ADVANTAGE HOLDINGS; FORWARD HOLDINGS; and 10 other one-ship-company entities that are subsidiaries of ADVANTAGE TANKERS³ (said grouping hereinafter collectively referred to for the sake of brevity as “Advantage-Group”) comprise, respectively, successor corporate business entities of the grouping formerly constituted of: GEDEN HOLDINGS; Target Shipping, Ltd., GEDEN LINES; SPACE SHIPPING; and 10 other former one-ship-companies⁴, as shown in TABLE I (hereinafter collectively referred to, for the sake of brevity, as “Geden-Group”).

44. As particularized in the following paragraphs 45-55 the Advantage-Group corporate entities are successor corporations of the Geden-Group corporate entities in that: a) the former have acquired and are respectively in possession of the trading assets of the latter⁵

³ Foreign limited liability companies: Advantage Solar Shipping, LLC; Advantage Sky Shipping, LLC; Advantage Start Shipping, LLC; Advantage Arrow Shipping, LLC; Advantage Avenue Shipping, LLC; Advantage Award Shipping, LLC; Advantage Atom Shipping, LLC; Advantage Summer Shipping, LLC; Advantage Spring Shipping, LLC; Advantage Sun Shipping, LLC

⁴ Foreign limited liability companies: Profit Shipping, Ltd.; Blue Shipping, Ltd.; Blank Shipping, Ltd.; Target Shipping, Ltd.; True Shipping Ltd.; Value Shipping, Ltd; Bravo Shipping, Ltd; Barbaros Maritime, Ltd; Pink Shipping, Ltd; Reef Shipping Ltd.; Prima Shipping, Ltd.

⁵ The said assets are the tankers: PROFIT now renamed ADVANTAGE SOLAR; BLUE now renamed ADVANTAGE SKY; BLANK now renamed ADVANTAGE START; TARGET now renamed ADVANTAGE ARROW; TRUE now renamed ADVANTAGE AVENUE; VALUE now renamed ADVANATGE AWARD; BRAVO now renamed ADVANTAGE ATOM; POWER now renamed ADVANTAGE ANTHEM; PINK now renamed ADVANTAGE SUMMER; REEF now renamed ADVANTAGE SPRING; ROYAL now renamed ADVANATGE SUN. For the sake of brevity these vessels will be collectively referred to as "the 11 tanker vessels".

(hereinafter “the 11 tanker vessels”), as illustrated in the foregoing Table I; b) they occupy and carry on business from the same business premises, *i.e.* Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Tukey; c) they transact their business by and through identical personnel as the latter; d) they share common officers and directors with the latter; e) they have taken over and are servicing the same customers as were being served by the latter; f) they have virtually the same financing banks financing their business as the latter; g) they have assumed numerous of the latter’s obligations, including long term charter parties with Shell Western Supply and Trading, Ltd.; h) there is continuity of shareholders, GEDEN HOLDINGS retains ultimate control over the corporate entities of the Advantage-Group that own the 11 tanker vessels; i) the controlling shareholder of GEDEN HOLDINGS and GEDEN LINES - EMIN KARAMEHMET – continues to maintain a substantial financial interest in the Advantage-Group companies, as GEDEN LINES (which is 100% controlled by him) manages and operates all of its 11 tanker vessels formerly held by the one-ship-companies of the Geden-Group; j) GEDEN LINES exercises complete control over all of the corporate entities of the Advantage-Group as its administrative, operations, technical, commercial, and safety manager; k) following the purported sale of the 11 tanker vessels, GEDEN HOLDINGS formally ceased its ordinary business operations, through its subsidiary one ship companies and wound down its remaining business of operating chartered-in tonnage.

45. As part of a business reorganization arrangement conceived and implemented by the management of the Geden-Group, in concert with EMIN KARAMEHMET, KARAMEHMET WILLIAMS, and TOKGÖZ, the one-ship-companies of the Geden-Group “sold” the respective vessels each one of them had owned to its homologous Advantage-Group one-ship-company, with these transactions occurring approximately during the first and second quarter of 2015. The said

“sales”, were in actual fact part of a “reorganization” and makeover of the ownership structure, whereby newly minted corporate one-ship-companies of the Advantage-Group would take over ownership of the assets with the control, however, remaining with GEDEN HOLDINGS. *See* “Consent Letter” agreement dated February 6, 2015 between GEDEN HOLDINGS and Shell Western Supply and Trading, Ltd. hereto attached as **EXHIBIT 4** at Bates No. D01248, at ¶ 2 thereof, wherein GEDEN HOLDINGS assures Shell Western Supply and Trading, Ltd that each of the Advantage-Group one-ship-companies would be “wholly owned by the Shareholder”, *i.e.* GEDEN HOLDINGS.

46. Notwithstanding the transfer of ownership of the respective vessels from the Geden-Group one-ship-companies, to the respective Advantage-Group one-ship-companies, all of the time charter parties under which the said respective vessels, before and at the time of the transfer, were being employed by Shell Western Supply and Trading, Ltd. continued seamlessly with the Advantage-Group one-ship-companies. This was accomplished under contractual arrangements with Shell Western, worked out by GEDEN HOLDINGS / GEDEN LINES, KARAMEHMET-WILLIAMS, and TOKGÖZ, whereby the said charter parties, several of which had significant unexpired terms, were renewed for a 5-year period, at rates and on such other terms as were agreed on behalf of the Advantage-Group one-ship-companies by GEDEN HOLDINGS. *Id.* at D01248 - D01250.

47. Notwithstanding the purported transfer of ownership of the respective vessels from the Geden-Group one-ship-companies to the respective Advantage-Group one-ship-companies, GEDEN HOLDINGS represented and warranted to the Geden-Group’s sole customer - Shell Western Supply and Trading, Ltd - that it retained ownership over the Advantage-Group one-ship-companies. *Id.* at Bates No. D01248, at ¶ 2 thereof. Said representations and warranties regarding

the ultimate ownership and control of the Advantage-Group one-ship-companies by GEDEN HOLDINGS were accepted by Shell Western Supply and Trading, Ltd in agreeing to enter into new time charters with the said Advantage-Group one-ship-companies. *See* relevant extract from the deposition of the General Manager of Shell Western Supply & Trading, Ltd. specifically identifying GEDEN HOLDINGS as the “shareholder” retaining the ultimate control over the Advantage-Group one-ship-companies, hereto attached as **EXHIBIT 5**.

48. Notwithstanding the transfer of ownership of the respective vessels from the Geden-Group one-ship-companies to the respective Advantage-Group one-ship-companies, all day-to-day shore-side operations of the 11 tanker vessels continue to be performed by and through GEDEN LINES, including safety management, security management, crewing, victualing, supplying, technical monitoring and supervision, drydocking, repairs, accounting, insuring, and generally every function necessary in order to keep and maintain the said vessels trading as merchant vessels in the same manner and to the same extent that GEDEN LINES had performed before the said transfer of ownership of the 11 tanker vessels. *See e.g.* Ship Management Agreement for the M/T ADVANTAGE ARROW dated February 25, 2015, hereto attached as **EXHIBIT 6** at pp. 2405-2414; *See* also extract from Loan Agreement dated February 4, 2015 of Norddeutsche Landesbank Girozentale (hereinafter “NLDB”) Loan Agreement with ADVANTAGE ARROW SHIPPING extract hereto attached as **EXHIBIT 7** at p. 2, defining “Approved Manager” as “Genel Denizcilik of Turkey as technical manager and as commercial manager or any other person approved in accordance with Clause 22.3 (Manager)", and designating “Genel Denizcilik” as Technical Manager and Operations Manager. *Id.* at p.133.

49. The operation and management of the 11 tanker vessels of the Advantage-Group is performed by EMIN KARAMEHMET’s GEDEN LINES, using the same employees; working out

of the same address (Buyukdere Ca., Yapi Kredi Plaza, A Blok K: 12 34330-Levent-Istanbul-Turkey), as previously, before the same 11 tanker vessels were transferred to the Advantage-Group.

50. Notwithstanding the transfer of ownership of the 11 tanker vessels from the Geden-Group one-ship-companies to the respective Advantage-Group one-ship-companies, the majority of the lenders that financed the acquisition of the vessels by the Advantage-Group one-ship companies remained the same, with new rollover-like refinancing arrangements and ship mortgaging arrangements having been negotiated and worked out by GEDEN HOLDINGS / GEDEN LINES executives and directors on behalf of ADVANTAGE TANKERS. *See* **EXHIBIT 4** at ANNEX I.

51. Notwithstanding the transfer of the 11 tanker vessels from the Geden-Group to the Advantage-Group, GEDEN LINES, which is controlled by EMIN KARMAHMET, continues to maintain a substantial financial interest in the 11 tanker vessels enjoying a significant economic benefit as operator and manager of the ADVANTAGE TANKERS fleet of approximately USD 4,015,000.00 annually as compensation for its services.

52. Notwithstanding the transfer of the 11 tanker vessels from the Geden-Group to the Advantage-Group, GEDEN LINES, in its capacity as the sole operator and manager of the 11 tanker vessels, and thereby its controlling shareholder EMIN KARAMEHMET, exercise complete control over all of the operational, technical, and all other business activities of the 11 one-ship-companies of the Advantage-Group.

53. GEDEN HOLDINGS, GEDEN LINES, ADVANTAGE TANKERS, and the respective one-ship-companies of the Geden-Group and Advantage-Group have in common key management personnel including: the same Chief Executive Officer, who is also a director of

GEDEN HOLDINGS, GEDEN LINES and ADVANTAGE TANKERS; and the same Chief Financial Officer, who is also a director of GEDEN HOLDINGS.

54. Following the “sale” of the 11 tanker vessels, their respective former one-ship-company owners ceased to own vessels.

55. The holding company role of GEDEN HOLDINGS and the one-ship-companies of the Geden-Group, following the transfer of the 11 tanker vessels, was taken over by ADVANTAGE TANKERS and its subsidiary one-ship-companies. ADVANTAGE TANKERS and its subsidiary one-ship-companies thereby have assumed the obligations previously incumbent on GEDEN HOLDINGS and its one-ship-subsiaries.

56. By reason of the foregoing facts pled in averments ¶¶ 45-55, ADVANTAGE TANKERS and the one-ship-companies it holds, and GEDEN HOLDINGS and the one-ship-companies and single-vessel chartering companies it holds, have either entered into a *de facto* merger; or ADVANTAGE TANKERS and the one-ship-companies it holds are a mere continuation of the business of GEDEN HOLDINGS.

57. In the alternative the transfer of the assets of the Geden-Group to the Advantage-Group in the manner set out in the foregoing averments ¶¶ 45-55 was a transaction entered into by the parties involved to avoid liabilities.

58. The one-ship companies that formerly owned the 11 tanker vessels were absorbed by the Advantage-Group, as evidenced by the identity of assets, location, management, personnel, and stockholders.

59. Accordingly, ADVANTAGE TANKERS and the one-ship-companies it holds, including ADVANTAGE ARROW SHIPPING, are liable for Plaintiff’s claims respectively as the successor corporations of EMIN KARAMEHMET - controlled GEDEN HOLDINGS, SPACE

SHIPPING and TARGET SHIPPING, LTD, and the M/T ADVANTAGE ARROW may be attached as security for Plaintiff's claims.

B. FRAUDULENT TRANSFER ALLEGATIONS

60. Plaintiff realleges ¶¶ 1-59 of the above and foregoing Original Verified Complaint and further avers as follows:

61. In agreeing to bareboat charter its vessel the CV STEALTH to SPACE, a Maltese corporation without any known tangible assets or business performance record, and to accept the performance guarantee of GEDEN HOLDINGS, Plaintiff relied on express affirmative representations of fact made on behalf of GEDEN HOLDINGS / GEDEN LINES by their common CEO and director TOKGÖZ. Specifically, TOKGÖZ represented that GEDEN HOLDINGS was the parent company of the "special purpose companies", *i.e.* the one-ship companies which at the time owned the 11 tanker vessels. A Copy of the March 4, 2010 letter of GEDEN HOLDINGS containing such representations in writing is hereto attached as **EXHIBIT 8**.

62. The performance guarantee of GEDEN HOLDINGS (**EXHIBIT 2**) contemporaneously issued with the March 4, 2010 letter, is a continual guarantee extending over the entire duration of the performance of the charter party, and indeed, for at least 7 years past the delivery of the vessel, and specifically provides in relevant part that that it is given in consideration of Plaintiff's refraining from arresting or otherwise detaining any of the assets of GEDEN HOLDINGS.

63. Plaintiff relied on the representations made in the March 4, 2010 letter (**EXHIBIT 8**), particularly the representation that GEDEDN HOLDINGS owned and would continue to own through its one-ship-companies the 11 tanker vessels, and thereby agreed to continue chartering the CV STEALTH to SPACE and accept the performance guarantee of GEDEN HOLDINGS.

64. GEDEN HOLDINGS purports that during the first 5 months of 2015 it divested itself of its entire interest in the 11 tanker vessels and “sold” same to the Defendants comprising the Advantage-Group through legitimate arm’s length transactions. In actual fact, the Defendants implemented a fraudulent restructuring scheme that had been in their planning and contemplation as pled below⁶.

65. During 2012 and 2013 as a result of a faltering tanker market, the high prices it had paid for the construction of the 11 tanker vessels and the acquisition of other tonnage, the Geden-Group experienced severe economic difficulties and pressing demands by various creditors that included attachment of vessels of the group. In consultation with the group’s lending banks, GEDEN LINES commissioned business restructuring specialist AlixPartners UK LLP to develop a proposed plan for the restructuring of their business. A report was prepared by AlixPartners, dated March 6, 2013 under the title “Project Hermitage Restructuring”. See Report of AlixPartners hereto attached as **EXHIBIT 9**⁷ (hereinafter referred to as “Project Hermitage”).

66. Project Hermitage recommended the replacement of GEDEN HOLDINGS as the group’s holding company by another new business entity - a “newco” - which, under the recommended plan, “[p]rovides for recategorization of exposure from "Geden Holdings Ltd." to Newco where equity is "in-the-money" and shareholders are better incentivized to provide ongoing

⁶ In a similar manner GEDEN HOLDINGS purportedly “sold” its fleet of product carrier tankers to new buyers while it continued to maintain control over their operation and to profit from trading same under FUTURE HOLDINGS, LTD. a management company controlled by Defendants KARAMEHMET-WILLIAMS and TOKGÖZ.

⁷ The Alix Partners’ report specifically states: “This report ("Report") was prepared by AlixPartners UK LLP ("AlixPartners") exclusively for the sole benefit and internal use of GENEL Denizcilik Nakliyatı A.S. – GEDEN Lines (the "Company") pursuant to a client relationship between AlixPartners and the Company stipulated in the agreement for the provision of consulting services dated 22 November 2012 (the "Engagement Letter"). EXHIBIT 10 at Bates No. P-001832. As to the factual content of the AlixPartners report it provides in relevant part: “The information contained in this Report is based upon financial and other data provided to AlixPartners and the representation made to AlixPartners by the management and staff of the Company” *Id.* at Bates No. P-001833. *Emphasis added.*

support.” See **EXHIBIT 9** at Bates No. P-001870. The plan of Project Hermitage also recommended the sale of the vessels or the one-ship-companies to “Newco”; the continuation of the management of the vessels by GEDEN LINES; the rollover financing of the existing debt to the financing banks; the retention of the equity of GEDEN HOLDINGS; the transfer of the surplus of equity in the assets to Newco (**EXHIBIT 9** (flow chart) Bates No. P-001846); and the ring-fencing of potential sources of disruption (such as arrests and sister-ship arrests). *Id.* at Bates No. P-001870.

67. Even though the recommendations of Project Hermitage were not adopted by Defendants in their exact proposed form, they were nonetheless substantially adopted and implemented as evidenced by the following events: a) GEDEN HOLDINGS / GEDEN LINES, acting by and through their common chief executive officer and chief financial officer, caused the incorporation of Advantage Tankers, LLC, in the Marshall Islands, *i.e.* the “Newco” contemplated by Project Hermitage⁸; b) GEDEN HOLDINGS / GEDEN LINES, by and through their common chief executive officer and chief financial officer, made arrangements for the rollover financing of the loans of GEDEN HOLDINGS’ one-ship-companies with ADVANTAGE TANKERS taking on the role of corporate guarantor; c) GEDEN HOLDINGS / GEDEN LINES, acting by and through their common chief executive officer and chief financial officer, caused the one-ship-companies controlled by GEDEN HOLDINGS to “sell” their vessels to newly minted Marshall Islands corporate entities that comprise the Advantage-Group shown in the foregoing TABLE I; d) GEDEN HOLDINGS / GEDEN LINES, acting by and through their common chief executive officer and chief financial officer, arranged for the management of the 11 tanker vessels to continue

⁸ At all times material hereto, all Defendants have the same Chief Executive officer - Tugrul Tokgoz- and the same Chief Financial Officer -Mehmet Matt - who also hold overlapping roles as directors and /or officers of the respective corporate Defendants of the one-ship-companies controlled by ADVANTAGE TANKERS.

being performed by GEDEN LINES under new 5 year contracts; e) by transferring all of the tangible operating assets of GEDEN HOLDINGS to the ADVANTAGE TANKERS one-ship-companies, *i.e.* the 11 tanker vessels, GEDEN HOLDINGS effectively “ringfenced” them, thereby blocking creditors of GEDEN HOLDINGS from seeking recourse against its assets.

68. Project Hermitage specifically referred to the bareboat charter of the CV STEALTH and other chartered-in tonnage of other owners in the following terms: “Group D, Geden Oldco: 11 Group D vessels make up the residual fleet and are not part of the Company's future. These include the vessels funded by FSL, Icon, Octavian and Stealth when traditional financing was unavailable.” With specific reference to Plaintiff's vessel the CV STEALTH Project Hermitage notes: “not ours”. *See EXHIBIT 9* at P-001856.

69. The actions of the Defendants in implementing the recommendations of Project Hermitage in the manner described in the foregoing, manifests the design, plan, and intent of the Defendants to deal with their assets in a fraudulent manner to the detriment and prejudice of their creditors, specifically including Plaintiff as noted in ¶ 68 *supra*.

70. Defendant SPACE SHIPPING, LLC's sole business is to act as the nominee of GEDEN HOLDINGS in the performance of the bareboat charter. As pled in the foregoing, Plaintiff entered in the bareboat charter relying on the representations and warranties that GEDEN HOLDINGS was the owner of the 11 tanker vessels and several other vessels, and on its performance guarantee.

71. At all times material hereto and as pled in the foregoing, GEDEN HOLDINGS through the machinations of its equity holder EMIN KARAMEHMET “restructured” the ownership of its assets, by arranging their transfer to ADVANTAGE TANKERS, a company 85% controlled by his only child KARAMEHMET WILLIAMS, and 15% by his hand-picked CEO of

GEDEN LINES and GEDEN HOLDINGS, TOKGÖZ. As a result, Plaintiff was left without any of the recourse that it had agreed to forego (*i.e.* the attachment of Geden Holdings' owned vessels) in consideration for GEDEN HOLDING's performance guarantee.

72. Notwithstanding the fraudulent restructuring of the ownership of its shipping assets, GEDEN HOLDINGS provided in confidence express assurances to Shell Western Supply & Trading, Ltd. that it remained the controlling shareholder of the same 11 tanker vessels through its complete control of the Advantage-Group one-ship companies.

73. Though Defendants KARAMEHMET WILLIAMS and TOKGÖZ have warranted to the lenders of the Advantage-Group that they hold respectively 85% and 15% of the ultimate beneficial interest in ADVANTAGE TANKERS, which, in turn, warrants it controls 100% of the 11 tanker vessels, (See **EXHIBIT 3**), TOKGÖZ, who is the Chief Executive Officer of ADVANTAGE TANKER and a director of GEDEN HOLDINGS, has also warranted to Shell Western Supply & Trading, Ltd. that it is actually GEDEN HOLDINGS, which controls the Advantage-Group corporate entities, that own the same vessels even after their purported transfer to the Advantage Group. Based on the foregoing and the conflicting representations of Defendants, the ownership of the ADVANTAGE ARROW (ex TARGET) was fraudulently transferred to the detriment of unsecured creditors.

74. Plaintiff invokes the power of this honorable court as a court of admiralty "...to protect its jurisdiction from being thwarted by a fraudulent transfer, [by] authorizing an attachment to secure an independent maritime claim." *Swift Co Packers v. Compania Colombiana Del Caribe*, 339 U.S. 684, 694-695 (1950).

75. Based on the expressed rationale underlying the transfer of the 11 tanker vessels from GEDEN HOLDINGS to ADVANTAGE TANKERS noted in the foregoing, *i.e.* the

"ringfencing" of the assets in order to avoid "arrests"; the close family relationship between EMIN KARAMEHMET and KARAMEHMET WILLIAMS that constitutes the latter an insider of the former in relation to his status as 100% shareholder of Plaintiff's obligors GEDEN HOLDINGS / GEDEN LINES and SPACE; the transfer of what was substantially all of the assets of the said obligors of Plaintiff; the failure of the Defendants to disclose to Plaintiff the impending transfer of the assets from the Geden-Group to the Advantage-Group; the Defendants express intent to fraudulently restructure the ownership of the corporate holding structures for the benefit of the equity holders and to the detriment of unsecured non-lending creditors; and all of the factual circumstances pled in the foregoing ¶¶ 60-74, there are reasonable grounds and probable cause to believe that the said transfer was intended to hinder, delay, or defraud the creditors of SPACE and same may and should be set aside as a fraudulent conveyance.

V. APPLICATION FOR ATTACHMENT UNDER SUPPLEMENTAL ADMIRALTY RULE B

76. None of the Defendants are or were at the time of the filing of this suit present within the District or can be found in the District within the meaning of Rule B of the Supplemental Rules for Certain Admiralty and Maritime Law Claims and under the laws of Texas governing personal jurisdiction. *See* Attorney Declaration of George Gaitas attached hereto as **EXHIBIT 10**. Nevertheless, Defendants have within the District tangible or intangible personal property in the hands of parties who may be named garnishees in the process of maritime attachment and garnishment consisting of debts, credits, or effects.

77. More specifically there is presently, or imminently due to arrive in the Eastern District of Texas, the Motor Tanker ADVANTAGE ARROW, a tanker vessel registered in the Marshall Islands, with IMO No. 9419448 and international call sign V7KZ7, as pled in the foregoing.

78. Defendants have used and continue to use the purportedly corporate separateness, and incorporated status of their surrogate entities ADVANTAGE ARROW, ADVANTAGE TANKERS, ADVANTAGE HOLDINGS, and FORWARD HOLDINGS abusively, to wit: to engage in fraudulent corporate restructuring and asset reallocation practices in order to escape their lawful obligation to repair or pay the cost of repairs of the CV STEALTH and also pay bareboat charter hire until the redelivery of the CV STEALTH to Plaintiff - her lawful owner.

79. Plaintiff has maritime claims against the Defendants arising out of the breach of a maritime contract (*i.e.* – the bareboat charter party with CV STEALTH dated February 23, 2010, and the performance guarantee dated April 4, 2010).

80. The amounts of Plaintiff’s claims as reasonably as it can be estimated is as follows:

A.	The repaired cost of the CV STEALTH.....	\$	18,000,000.00
B.	Unpaid Charter Hire due and owing.....	\$	510,208.33
C.	Awarded legal costs.....	\$	6,515.50
C.	Interest at 6% compounded quarterly for 1 year.....	\$	943,340.00
E.	Recoverable Legal Fees and Costs.....	\$	400,000.00
Total Claim.....			\$ 19,860,063.80

Therefore, Plaintiff’s total claim for breach of the maritime contracts against Defendants is in the aggregate sum of **USD 19,860,063.80 (NINETEEN MILLION EIGHT HUNDRED SIXTY THOUSAND SIXTY THREE DOLLARS AND EIGHTY CENTS)**

WHEREFORE PREMISES CONSIDERED, Plaintiff prays as follows:

A. That process in due form of law, according to the practice of this Honorable Court in matters of admiralty and maritime jurisdiction be issued against Defendants and said Defendants be cited to appear and answer the allegations of this Original Verified Complaint;

B. That since the Defendants cannot be found within this District pursuant to Supplemental Rule B, all of the assets of the Defendants presently within this District, or assets expected in this District during the pendency of this action, including, but not limited to the M/T ADVANTAGE ARROW and/or any assets within the possession, custody or control of any other garnishee upon whom a copy of the Process of Maritime Attachment and Garnishment issued in this action may be served, be attached and garnished in an amount sufficient to answer Plaintiff's claim;

C. That this Court retain jurisdiction over this matter through the entry of any judgment or award associated with any of the claims currently pending, or which may be initiated in the future, including any appeals thereof;

D. That judgment be entered against each of the Defendants and each of them in the sum of Nineteen Million Eight Hundred Sixty Thousand Sixty Three Dollars and eighty cents (**USD 19,860,063.80**) (**NINETEEN MILLION EIGHT HUNDRED SIXTY THOUSAND SIXTY THREE DOLLARS AND EIGHTY CENTS**) together with interest and costs, be applied in satisfaction thereof;

E. That the Court grant such other and further relief as it deems, just, equitable and proper.

Respectfully submitted,

By: GAITAS, KENNEDY & CHALOS, P.C.


/s/George A. Gaitas
George A. Gaitas
State Bar No. 24058885
Federal Bar No. 705176
Sean D. Kennedy
State Bar No. 24102006
Federal Bar No. 1007545
Jonathan M. Chalos
State Bar No. 24097482

Federal Bar No. 3008683
6250 Westpark Dr.
Suite 222
Houston, Texas 77057
Telephone: 281-501-1800
Fax: 832-962-8178
E-mail: gaitas@gkclaw.com
kennedy@gkclaw.com
chalos@gkclaw.com

Attorneys for Plaintiff
Psara Energy, Limited

EXHIBIT 1

2nd original

1. Shipbroker Arrow Tankers A/S Bredgade 31 B, 4. DK-1260 Copenhagen K Denmark		BIMCO STANDARD BAREBOAT CHARTER CODE NAME: "BARECON 2001" 	
3. Owners/Place of business (Cl. 1) Psara Energy Limited Ajeltake Road, Ajeltake Island Majuro, MH 96960 Marshall Island		2. Place and date Copenhagen, 23rd February 2010	
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: m.L. CV STEALTH Flag: Malta		4. Bareboat Charterers/Place of business (Cl. 1) Geden Holdings Limited, Malta or nominee always guaranteed by Geden Line. Performance Guarantee to the satisfaction of Owners and their financiers to be mutually agreed.	
6. Type of Vessel Crude oil carrier	7. GT/NT 58,418 / 31,117	8. When/Where built 2005 / Shanghai Wangaoqiao Shipbuilding Co. Ltd.	
10. Classification Society (Cl. 3) ABS	11. Date of last special survey by the Vessel's classification society N/A	9. Total DWT (abt.) in metric tons on summer freeboard 104,499	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) Attached Vessel's Q88. Vessel to be redelivered with SS passed			
13. Port or Place of delivery (Cl. 3) WW DLOSP at one safe port / safe anchorage ATDNHINC Vessel to be delivered with SS passed	14. Time for delivery (Cl. 4) 15th April 2010, 00:01 hrs lt	15. Cancelling date (Cl. 5) 30th August 2010, 23:59 hrs lt	
16. Port or Place of redelivery (Cl. 15) DLOSP at one safe port, berth or anchorage WW in CHOPT always within trading limits ATDNHINC	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) SS/DD passed without extensions		
18. Running days' notice if other than stated in Cl. 4 See Rider Clause 15.	19. Frequency of dry-docking (Cl. 10(g)) As required by class without extensions		
20. Trading limits (Cl. 6) Worldwide, excluding Israel, Cambodia, Cuba, Lebanon, Gulf of Aqaba, Namibia, North Korea, Chinese River Ports, Haiti, all war risk and war like zones and other areas/countries prohibited by the flag of the vessel and the United Nations without Owners' prior consent which shall not be unreasonably withheld. The vessel not to trade in ice, break ice nor follow ice breakers in ice.			
21. Charter period (Cl. 2) 5 years straight period +/- 30 days in Charterer's option plus 1 or 2 years optional year(s) declaration by Charterers 5 months prior end of the firm period	22. Charter hire (Cl. 11) USD 9,750 gross pdpr the first 365 days after delivery USD 10,750 gross pdpr for the 2nd charter year USD 11,750 gross pdpr for the period starting from 730th day after delivery until end of 3rd year USD 10,750 gross pdpr for 4th charter year USD 10,750 gross pdpr for 5th charter year USD 13,250 for the optional period		
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) 10%			

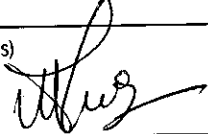
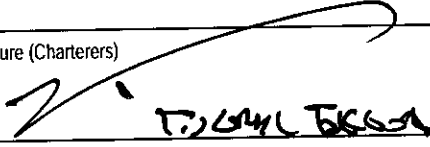
This document is a computer generated BARECON 2001 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

2nd original

"BARECON 2001" STANDARD BAREBOAT CHARTER**PART I**

24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to <u>PART IV</u> As per Clause 10 F	25. Currency and method of payment (Cl. 11) US Dollars / Telegraphic Transfer
26. Place of payment; also state beneficiary and bank account (Cl. 11) TBA	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) Corporate Guarantee to be attached to the BBCHP as attached to the C/P
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12)	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) USD 77,000,000
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) At Owner's discretion	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) At Charterer's discretion
32. Latent defects (only to be filled in if period other than stated in Cl. 3) N/A	33. Brokerage commission and to whom payable (Cl. 27) 1% to Arrow Tankers A/S payable by the Owners
34. Grace period (state number of clear banking days) (Cl. 28) Seven (7) working days	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration <u>must</u> be stated (Cl. 30) 30a
36. War cancellation (indicate countries agreed) (Cl. 26(f)) UK, USA, Russia, China	
37. Newbuilding Vessel (indicate with "yes" or "no" whether <u>PART III</u> applies) (optional) N/A	38. Name and place of Builders (only to be filled in if <u>PART III</u> applies) N/A
39. Vessel's Yard Building No. (only to be filled in if <u>PART III</u> applies) N/A	40. Date of Building Contract (only to be filled in if <u>PART III</u> applies) N/A
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) N/A b) N/A c) N/A	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether <u>PART IV</u> applies) (optional) As per Rider Clause 13	43. Bareboat Charter Registry (indicate with "yes" or "no" whether <u>PART V</u> applies) (optional) No
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if <u>PART V</u> applies) N/A	45. Country of the Underlying Registry (only to be filled in if <u>PART V</u> applies) N/A
46. Number of additional clauses covering special provisions, if agreed Rider Clauses 1-20	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) 	Signature (Charterers) 
-----------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------

This document is a computer generated BARECON 2001 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

2nd original
PART I

"BARECON 2001" STANDARD BAREBOAT CHARTER

1

PART II
"BARECON 2001" Standard Bareboat Charter

1. Definitions	1	day on which the Vessel should be ready, give notice	72
In this Charter, the following terms shall have the	2	thereof to the Charterers asking whether they will	73
meanings hereby assigned to them:	3	exercise their option of cancelling, and the option must	74
"The Owners" shall mean the party identified in <u>Box 3</u> ;	4	then be declared within one hundred and sixty-eight	75
"The Charterers" shall mean the party identified in <u>Box 4</u> ;	5	(168) running hours of the receipt by the Charterers of	76
"The Vessel" shall mean the vessel named in <u>Box 5</u> and	6	such notice or within thirty-six (36) running hours after	77
with particulars as stated in <u>Boxes 6</u> to <u>12</u> .	7	the cancelling date, whichever is the earlier. If the	78
"Financial Instrument" means the mortgage, deed of	8	Charterers do not then exercise their option of cancelling,	79
covenant or other such financial security instrument as	9	the seventh day after the readiness date stated in the	80
annexed to this Charter and stated in <u>Box 28</u> .	10	Owners' notice shall be substituted for the cancelling	81
		date indicated in <u>Box 15</u> for the purpose of this <u>Clause 5</u> .	82
2. Charter Period	11	(c) Cancellation under this <u>Clause 5</u> shall be without	83
In consideration of the hire detailed in <u>Box 22</u> ,	12	prejudice to any claim the Charterers may otherwise	84
the Owners have agreed to let and the Charterers have	13	have on the Owners under this Charter.	85
agreed to hire the Vessel for the period stated in <u>Box 21</u>	14		
("The Charter Period").	15		
3. Delivery	16	6. Trading Restrictions	86
(not applicable when Part III applies, as indicated in <u>Box 37</u>)	17	The Vessel shall be employed in lawful trades for the	87
(a) The Owners shall before and at the time of delivery	18	carriage of suitable lawful merchandise within the trading	88
exercise due diligence to make the Vessel seaworthy	19	limits indicated in <u>Box 20</u> .	89
And in every respect ready in hull, machinery and	20	The Charterers undertake not to employ the Vessel or	90
equipment for service under this Charter.	21	suffer the Vessel to be employed otherwise than in	91
The Vessel shall be delivered by the Owners and taken	22	conformity with the terms of the contracts of insurance	92
over by the Charterers at the port or place indicated in	23	(including any warranties expressed or implied therein)	93
<u>Box 13</u> in such ready safe berth as the Charterers may	24	without first obtaining the consent of the insurers to such	94
direct.	25	employment and complying with such requirements as	95
(b) The Vessel shall be properly documented on	26	to extra premium or otherwise as the insurers may	96
delivery in accordance with the laws of the flag State	27	prescribe. When required by Owner, the Charterers	97
indicated in <u>Box 5</u> and the requirements of the	28	shall keep the Owners and Mortgages advised on	
classification society stated in <u>Box 10</u> . The Vessel upon	29	intended employment of Vessel.	98
delivery shall have her survey cycles up to date and	30	The Charterers also undertake not to employ the Vessel	99
trading and class certificates valid for at least the number	31	or suffer her employment in any trade or business which	100
of months agreed in <u>Box 12</u> .	32	is forbidden by the law of any country to which the Vessel	101
(c) The delivery of the Vessel by the Owners and the	33	may sail or is otherwise illicit or in carrying illicit or	102
taking over of the Vessel by the Charterers shall	34	prohibited goods or in any manner whatsoever which	103
constitute a full performance by the Owners of all the	35	may render her liable to condemnation, destruction,	104
Owners' obligations under this <u>Clause 3</u> , and thereafter	36	seizure or confiscation.	105
the Charterers shall not be entitled to make or assert	37	Notwithstanding any other provisions contained in this	106
any claim against the Owners on account of any	38	Charter it is agreed that nuclear fuels or radioactive	107
conditions, representations or warranties expressed or	39	products or waste are specifically excluded from the	108
implied with respect to the Vessel but the Owners shall	40	cargo permitted to be loaded or carried under this	109
be liable for the cost of but not the time for repairs or	41	Charter. This exclusion does not apply to radio-isotopes	110
renewals occasioned by latent defects in the Vessel,	42	used or intended to be used for any industrial,	111
her machinery or appurtenances, existing at the time of	43	commercial, agricultural, medical or scientific purposes	112
delivery under this Charter, provided such defects have	44	provided the Owners' prior approval has been obtained	113
manifested themselves within twelve (12) months after	45	to loading thereof.	
delivery unless otherwise provided in <u>Box 32</u> .	46		
4. Time for Delivery	47	7. Surveys on Delivery and Redelivery	114
(not applicable when Part III applies, as indicated in <u>Box 37</u>)	48	(not applicable when Part III applies, as indicated in <u>Box 37</u>)	115
The Vessel shall not be delivered before the date	49	The Owners and Charterers shall each appoint	116
indicated in <u>Box 14</u> without the Charterers' consent and	50	surveyors for the purpose of determining and agreeing	117
the Owners shall exercise due diligence to deliver the	51	in writing the condition of the Vessel at the time of	118
Vessel not later than the date indicated in <u>Box 15</u> as per	52	delivery and redelivery hereunder. The Owners shall	119
<u>Box 18</u> .		bear all expenses of the On-hire Survey including loss	120
Unless otherwise agreed in <u>Box 18</u> , the Owners shall	53	of time, if any, and the Charterers shall bear all expenses	121
give the Charterers not less than thirty (30) running days'	54	of the Off-hire Survey including loss of time, if any, at	122
preliminary and not less than fourteen (14) running days'	55	the daily equivalent to the rate of hire or pro rata thereof.	123
definite notice of the date on which the Vessel is	56		
expected to be ready for delivery.	57	8. Inspection	124
The Owners shall keep the Charterers closely advised	58	The Owners shall have the right at any time after giving	125
of possible changes in the Vessel's position.	59	reasonable notice to the Charterers to inspect or survey	126
5. Cancelling	60	the Vessel or instruct a duly authorised surveyor to carry	127
(not applicable when Part III applies, as indicated in <u>Box 37</u>)	61	out such survey on their behalf: - provided it does not	128
(a) Should the Vessel not be delivered latest by the	62	interfere with the operation of the Vessel a/o crew,	
cancelling date indicated in <u>Box 15</u> , the Charterers shall	63	but not to be unreasonably withheld.	129
have the option of cancelling this Charter by giving the	64	(a) to ascertain the condition of the Vessel and satisfy	130
Owners notice of cancellation within thirty-six (36)	65	themselves that the Vessel is being properly repaired	131
running hours after the cancelling date stated in <u>Box</u>	66	and maintained. The costs and fees for such inspection	132
<u>15</u> , failing which this Charter shall remain in full force	67	or survey shall be paid by the Owners unless the Vessel	133
and effect.	68	is found to require repairs or maintenance in order to	134
(b) If it appears that the Vessel will be delayed beyond	69	achieve the condition so provided;	135
the cancelling date, the Owners may, as soon as they	70	(b) in dry-dock if the Charterers have not dry-docked	136
are in a position to state with reasonable certainty the	71	Her in accordance with <u>Clause 10(g)</u> . The costs and fees	137
		for such inspection or survey shall be paid by the	138
		Charterers; and	139
		(c) for any other commercial reason they consider	140
		necessary (provided it does not unduly interfere with	

2nd original

PART II

"BARECON 2001" Standard Bareboat Charter

the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.	141	or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.	205
All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.	142	The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.	206
The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.	143	(b) <u>Operation of the Vessel</u> - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag State fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.	207
	144	Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.	208
	145	(c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.	209
	146	(d) <u>Flag and Name of Vessel</u> - Charterers have the right to reflag the ship and install and display their funnel insignia and fly their own house flag, but name cannot be changed. During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time.	210
	147	(e) <u>Changes to the Vessel</u> - Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter.	211
	148	(f) <u>Use of the Vessel's Outfit, Equipment and Appliances</u> - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the	212
	149		213
	150		214
	151		215
	152		216
9. <u>Inventories, Oil and Stores</u>	153		217
A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.	154		218
	155		219
	156		220
	157		221
	158		222
	159		223
	160		224
	161		225
	162		226
	163		227
	164		228
	165		229
	166		230
	167		231
	168		232
10. <u>Maintenance and Operation</u>	169		233
(a)(i) <u>Maintenance and Repairs</u> - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 14(l), if applicable, at their own expense they shall at all times keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times. If necessary as deemed by class, the Charterers to take immediate steps to have the necessary repairs done within a reasonable time (prior to or upon SS-drydocking) failing which the Owners shall have the right of withdrawing the Vessel from the service of the Charterers and without prejudice to any claim the Owners may otherwise have against the Charterers under this Charter.	170		234
	171		235
	172		236
	173		237
	174		238
	175		239
	176		240
	177		241
	178		242
	179		243
	180		244
	181		245
	182		246
	183		247
	184		248
	185		249
	186		250
	187		251
	188		252
	189		253
	190		254
	191		255
	192		256
	193		257
	194		258
	195		259
	196		260
	197		261
	198		262
	199		263
	200		264
	201		265
	202		266
	203		267
	204		268
(ii) <u>New Class and Other Safety Requirements</u> - In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent. of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30.			269
(iii) <u>Financial Security</u> - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division			270
			271
			272
			273
			274
			275
			276

PART II
"BARECON 2001" Standard Bareboat Charter

Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.	277	themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in <u>Box 28</u> and that they shall not agree to any amendment of the mortgage(s) referred to in <u>Box 28</u> or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	345
(g) <u>Periodical Dry-Docking</u> - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than once during the period stated in <u>Box 19</u> or, if <u>Box 19</u> has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag State.	278	*) (Optional, <u>Clauses 12(a) and 12(b)</u> are alternatives; indicate alternative agreed in <u>Box 28</u>).	346
	279		347
	280		348
	281		349
	282		350
	283		351
	284		352
	285		353
	286		354
	287		355
	288		356
	289		
11. Hire	290	13. Insurance and Repairs	357
(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.	291	(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be un-reasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and The Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.	358
(b) Payment of hire shall be made as per daily hire in <u>Box 22</u> basis per calendar month in advance. First hire payable prorata upto end of the month starting from vessel's actual delivery date/time. The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in <u>Box 22</u> which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.	292	The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	359
(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in <u>Box 25</u> and at the place mentioned in <u>Box 26</u> .	293	All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to <u>Clause 3(c)</u> above, including any deviation, shall be for the Charterers' account.	360
(d) Final payment of hire, if for a period of less than thirty (30) running days a month, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.	294	(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in <u>Box 30</u> and <u>Box 31</u> , respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	361
(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.	295	(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.	362
(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in <u>Box 24</u> . If <u>Box 24</u> has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the currency stated in <u>Box 25</u> , as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.	296	(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.	363
(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.	297	(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may	364
	298		365
	299		366
	300		367
	301		368
	302		369
	303		370
	304		371
	305		372
	306		373
	307		374
	308		375
	309		376
	310		377
	311		378
	312		379
	313		380
	314		381
	315		382
	316		383
	317		384
	318		385
	319		386
	320		387
	321		388
	322		389
	323		390
	324		391
	325		392
	326		393
	327		394
	328		395
12. Mortgage	329		396
(only to apply if <u>Box 28</u> has been appropriately filled in)	330		397
*) (a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	331		398
*) (b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted	332		399
	333		400
	334		401
	335		402
	336		403
	337		404
	338		405
	339		406
	340		407
	341		408
	342		409
	343		410
	344		411
			412
			413
			414
			415
			416
			417
			418

PART II

(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.

~~(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).~~

(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.

(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.

(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.

(9) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(i) — If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.

(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.

15. Redelivery

notice of expected date and port or place of redelivery. Any changes thereafter in the Vessel's position shall be notified immediately to the Owners.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

16. Non-Lien

"This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever."

(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel

PART II

by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail. Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.	564 565 566 567 568 569 570 571 572 573 574 575 576	luggage, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail. Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.	564 565 566 567 568 569 570 571 572 573 574 575 576
(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, by the mortgage holder the Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail. In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.	577 578 579 580 581 582 583 584 585 586		
18. Lien The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.	587 588 589 590 591 592 593		
19. Salvage All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.	594 595 596 597 598		
20. Wreck Removal In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.	599 600 601 602 603 604 605		
21. General Average The Owners shall not contribute to General Average.	606 607		
22. Assignment, Sub-Charter and Sale (a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve. (b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter.	608 609 610 611 612 613 614 615 616 617 618		
23. Contracts of Carriage (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause. (b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their	619 620 621 622 623 624 625 626 627 628 629 630 631 632 633		
		luggage exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto. *) Delete as applicable.	634 635 636 637 638 639
24. Bank Guarantee (Optional, only to apply if Box 27 filled in) The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter. Corporate Guarantee to be attached to the BBCHP.	640 641 642 643 644 645 646		
25. Requisition/Acquisition (a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the "Requisition for Hire" whichever be the shorter. (b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition".	647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677		
26. War (a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel. (b) The Charterers shall be at liberty to trade the Vessel in War Risk Areas and any applicable additional premium shall be for the Charterers' account, but with full indemnity to Owners in regards to ransoms/accidents/deaths or loss of cargo, Charterers to show evidence of extra premia being paid. The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be,	678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699		

2nd original

PART II

"BARECON 2001" Standard Bareboat Charter

- exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.
- (c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.
- (d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.
- (e) The Charterers shall have the liberty:
- (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;
 - (ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
 - (iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.
 - (f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.
- 27. Commission**
- The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.
- If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission.
- Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.
- 28. Termination**
- (a) Charterers' Default
- The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:
- (i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;
 - (ii) the Charterers fail to comply with the requirements of:
 - (1) Clause 6 (Trading Restrictions)
 - (2) Clause 13(a) (Insurance and Repairs)
 provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;
 - (iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.
- (b) Owners' Default
- If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.
- (c) Loss of Vessel
- This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.
- (d) ~~Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.~~
- (e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties

PART II
"BARECON 2001" Standard Bareboat Charter

prior to the date of termination and to any claim that either party might have.	848	exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	921
	849		922
29. Repossession	850		923
In the event of the termination of this Charter in accordance with the applicable provisions of <u>Clause 28</u> , the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this <u>Clause 29</u> , the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.	851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869	*) (c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	924 925 926 927 928 929 930 931
		(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.	932
		In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-	933 934 935 936 937 938
30. Dispute Resolution	870	(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.	939 940 941 942 943
*) (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	871 872 873 874 875 876 877	(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.	944 945 946 947 948 949 950 951 952 953 954 955 956
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	878 879 880 881	(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.	957 958 959 960 961
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901	(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.	962 963 964
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	902	(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.	965 966 967 968 969 970
In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	903 904 905 906 907	(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.	971 972 973 974
*) (b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc. in cases where neither the claim nor any counterclaim	908 909 910 911 912 913 914 915 916 917 918 919 920	(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.	975 976 977 978 979
		(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)	980
		(e) If <u>Box 35</u> in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. <u>Sub-clause 30(d)</u> shall apply in all cases.	981 982 983 984
		*) <u>Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in <u>Box 35</u>.</u>	985 986 987
		31. Notices	988
		(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, e-mail registered or recorded mail or by personal service.	989 990 991
		(b) The address including e-mail(s) of the Parties for service of such communication shall be as stated in <u>Boxes 3 and 4</u> respectively.	992 993

"BARECON 2001" Standard Bareboat Charter**OPTIONAL
PART****PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY***(Optional, only to apply if expressly agreed and stated in Box 37)***1.— Specifications and Building Contract**

(a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter-signed as approved by the Charterers.

(b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.

(c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred. Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(e) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2.— Time and Place of Delivery

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel

and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right of rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;

(iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(e) or if not filled in shall be shared equally between the parties.

3.— Guarantee Works

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

4.— Name of Vessel

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5.— Survey on Redelivery

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of re-delivery. Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

"BARECON 2001" Standard Bareboat Charter

PART IV
HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

OPTIONAL
PART

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.

In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers. The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession. The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment. The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description. The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.

"BARECON 2001" Standard Bareboat Charter

OPTIONAL
PART

PART V

PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 43)

1. Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

2. Mortgage

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

3. Termination of Charter by Default

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45. In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.



RIDER CLAUSES TO CHARTER PARTY
M.T. "CV STEALTH "
DATED 23rd February 2010

CLAUSE 1. CANCELLATION OF BAREBOAT CHARTER:

Owners during this charter have the right to sell the Vessel to a third party at any time hereunder with the following conditions:

- (a) Sale of the vessel to third party shall by no means affect the continuation of this charter and the new owner shall comply in full with a] I the terms and conditions of this Charter Party.
- (b) Charterers always to have the right of first refusal to buy the Vessel.
- (c) Any new owner always to be approved by Charterer, such approval shall not be unreasonably withheld.

CLAUSE 2. DRY DRY-DOCKS:

Charterers have the obligation to dry-dock the Vessel and/or to pass all surveys strictly in accordance with the rules and regulations of Vessel's Class and flag including Special Survey and Dry Dock always un-extended at Charterers cost and expenses.

CLAUSE 3. BUNKER CLAUSE:

Charterers warrant that all bunkers in accordance with herewith shall be of a quality complying 380 CST with ISO 8217 RMG 35 and with its specification for marine fuels as amended from time to time.

CLAUSE 4. CHARTERERS LIABILITIES:

Charterers hereby indemnify Owners from and again any all liabilities, claims, losses, damage, costs or expenses suffered or incurred, against Owners arising out of Charterers' negligence or failure to comply with the requirements of any government, including Federal, state or municipal or other division or authorities.

CLAUSE 5. OIL POLLUTION:

Charterers warrant that the Vessel shall have a valid P&I insurance against liability for pollution, including ITOPF/CLC obligations for an amount not less than USD One (1) billion per incident, provided, however that if the P&I Club in which the vessel entered and/or the underwriter(s)

m.t. CV STEALTH – CP dated 23rd February 2010

cease to provide Pollution Liability Coverage to such Club's Members in the amount(s) as just described then Charterers shall promptly obtain Pollution Liability Cover (both basis P&I Clubs and Additional Insurance) in the highest amount(s) then made available by any first class Underwriter.

CLAUSE 6. RISKS AND INSURANCE OF THE VESSEL:

(a) For the purpose of this Charter, "Total Loss" has the meaning given to it in Part 11, "Compulsory Acquisition" has the meaning given to it in Clause 25 above and "Major Casualty" mean a casualty to the Vessel or incident (other than a Total Loss) in respect of which the claim or aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds Five Hundred Thousand United States Dollars (US\$500,000) or the equivalents in any other currency.

(b) The Vessel shall throughout the term of this Charter be in every respect at the risk of the Charterers who shall bear all risks however arising whether of navigation operation or maintenance of the Vessel or otherwise.

(c) In addition to the insurance's referred to in Clause 13 and in this clause, the owners shall be entitled to effect and maintain for its own benefit and its own cost, innocent Owner's interest insurance for an amount to be determined by Owners in Owners' sole discretion and, for the benefit of any mortgagee or mortgagees pursuant to mortgagees indemnity insurance.

(d) The Charterers undertake throughout the term of this Charter, without prejudice to their obligation under Clause 13 above:

(i) to effect and maintain sufficient insurance on and over the Vessel in respect of hull, machinery and equipment, marine and war risks (including excess risks), protection and indemnity risks, FD and D, and oil pollution liability (if appropriate) upon such terms as shall from time to time be approved in writing by the owners and in such amounts in United States Dollars from time to time as are set out in the Schedule to these Additional Clauses in the case of hull, machinery and equipment, marine and war risks and excess risks and in the case of protection and indemnity risks and oil pollution liability, for the maximum amount obtainable from the protection and indemnity association in which the Vessel is from time to time entered;

(ii) Without prejudice to the provisions of sub-clause (i) above, Charterers shall procure and arrange at their own expense Hull and Machinery and war risks insurance's under terms not less favourable than those of Institute Time clauses Hulls edition 1.10.83 and/or as amended from time to time and Institute War and Strike Clauses Hull Time addition 1.. 10.83 with deductible not exceeding USD 225,000. Charterers shall in addition procure and maintain at their own expense full entry of the Vessel for oil pollution liabilities at the maximum amount available on the insurance market (presently such amount is equal to One Thousand Million United States Dollars (US\$ 1,000,000,000) and



m.t. CV STEALTH - CP dated 23rd February 2010

to arrange and pay for extra cover required by protection and indemnity associations for voyagers to any other country.

(iii) To effect the insurances aforesaid through first class insurance companies, underwriters and war risks associations operating in the London, American or others Insurance market and protection and indemnity associations which are members of the International Group of Protection and Indemnity Associations;

(iv) To renew the insurances aforesaid at least fourteen (14) days before the relevant policies or contracts expire and to procure that the said brokers, and any war risks and protection and indemnity association with which such insurances are effected, shall promptly confirm in writing to the Owners the terms and conditions of such renewal as and when the same occurs;

(v) Punctually to pay all premiums, calls, contributions or other sums in respect of the insurances and to produce all relevant receipts when so required by the Owners;

(vi) To procure that a loss payable clause in such form as may be required by the Owners is endorsed upon all slips, cover notes, policies, certificates of entry or other instruments of insurance issued or to be issued in respect of the insurance of the vessel;

(vii) To procure that all such instruments of insurance referred to sub-clause (iv) above are as effected through the said brokers shall be deposited with the said brokers, and that such brokers shall furnish the Owners with proforma copies and a letter or letters of undertaking in such form as may be required by the Owners;

(viii) To procure that the protection and indemnity and/or war risks associations in which the Vessel is entered shall furnish the Owners with a certified copy of the certificate of entry for the vessel and a letter or letters of undertaking in the Protection & Indemnity Association's standard wording;

(ix) To apply all such sums receivable in respect of the insurances of the Vessel as are paid to Charterers in accordance with the provisions of this Charter for the purpose of making good the loss and fully repairing the damage in respect of which such sums have been received;

(x) Not to alter any of the terms of any if the instruments of insurance referred to in sub-clause (vi) above which have been approved by the Owners and not to make, do, consent or agree to any act or omission which would or might render any such instrument or insurance invalid, void, voidable or unenforceable or render any sum payable there under repayable in whole or in part

(xi) Not without the prior written consent of the Owners to settle, compromise or abandon any claim for Total Loss or a Major casualty

m.t. CV STEALTH - CP dated 23rd February 2010

(e) Unless and until a Termination Event shall occur whereupon all insurance recoveries shall be payable to the Owners, any sums receivable in respect of the insurances effected by the Charterers pursuant to Clause 13 above and this Clause shall be payable as follows ;

- (i) there shall be paid to the Owners all sums receivable in respect of Total loss and, unless otherwise authorized by the Owners, any and every sum receivable in respect of a Major Casualty, but so that the insurance moneys received by the Owners in respect of any such Major Casualty shall be paid over to the Charterers upon the charterers furnishing evidence to Owner's underwriter's satisfaction that all loss and damage resulting from the casualty has been properly made good and repaired, and that all repair accounts and other liabilities whatsoever in connection with the casualty have been fully paid and discharged by the Charterers, provided that the insurers may with the consent of the Owners make payment on account of repairs in the course of their being effected
- (ii) all other sums receivable in respect of the insurances shall be paid to the Charterers and shall be applied by them for the purpose of making good the loss and fully repairing all damage in respect of which the insurance moneys have been received.

(f) The provisions of Clause 13 and of this Clause shall not apply to the proceeds of any additional insurance cover effected by the Owners and/or the Charterers for their own account and benefit, provided that such cover shall only be effected if and to the extent that the insurances effected by the Charterers pursuant to Clause 13 and to this Clause permit.

(g) In the event that at any time during the term of this Charter the Charterers shall not have paid the premiums in respect of the insurance cover required by this charter, the Owners shall notify the Charterers requiring rectification thereof but in any event shall be at liberty to pay such premiums or to effect, at the Charterers expense, such alternative insurance as the Owners may in their discretion determine to be necessary to protect the interests of the Owners under this Charter (and approved mortgagees if any) and the costs thereof shall be payable by the Charterers on demand and shall be recoverable as additional hire hereunder.

CLAUSE 7. INTEREST:

The Charterers shall pay on demand by the Owners interest on any sum due under this Charter and unpaid from and including the date which it fell due for payment (subject as provided below) until the date of actual payment (as well after as before judgement) at the rate per annum determined by the Owners and certified by them to the Charterers to be equal to one month London Interbank Offer Rate (LIB OR) plus 2 percent (2%) per annum~ provided always that where the Owners pay or incur any such costs, charges

m.t. CV STEALTH – CP dated 23rd February 2010

expenses claims, liabilities, losses, penalties, fines, duty, fee tax or other moneys as are stated in the Charter to be payable by the Charterers to the Owners or recoverable by the Owners from the Charterers or in respect of which the Charterers may be liable to indemnify Owners, Interest shall accrue thereon at the rate specified above from and including the date on which such cost, charge, expenses, claim, liability, loss, penalty, fine, duty, fee tax of or other money is paid or incurred by the Owners. Any such interest which is not paid when due shall be compounded at the end of such periods as the Owners may determine for so long as it remains unpaid. All payments of Interest to be made under the Charter shall accrue from day to day and be calculated on the basis of the actual number of days elapsed and a three hundred and sixty five (365) day year.

CLAUSE 8. CHARTERERS' COVENANTS:

The Charterers Covenant with the Owners undertake throughout the term of this Charter that!

- (a) they will provide the Owners with such information concerning the Vessel as the Owners may from time to time reasonable require including (without limitation) information regarding the employment, condition, geographical position and crewing of the vessel;
- (b) They will, forthwith upon becoming aware of the same, notify the owners in writing of any termination event (or event of which they are aware which, with the giving of notice and/or lapse of time would constitute a termination event);
- (c) They will obtain and promptly renew from time to time and will whenever so required promptly furnish certified copies to the Owners of all such authorizations, approvals, consents, and licenses (if any) as may be required under any applicable law or regulation to enable the Charterers to perform their obligations under this Charter or required for the validity or enforceability of this Charter, and the Charterers shall in all material respects comply with the terms of the same;
- (d) they will- (i) at any time during this charter, subject to a limit of one (1) month in ever calendar year, allow one representative of Owners, and, (ii) during the last voyage) prior to vessel' s dry dock or special survey (laden voyage), two representatives to be allowed onboard (iii) during the last round voyage (ballast and laden legs) before redelivery of the Vessel allow up to two (2) representatives of the Owners to attend on board the Vessel for general observation and inspection purposes always at the risk-and expense of the Owners provided that such observation and inspection shall not interfere with the ordinary work on board and the trading of the Vessel and subject to signing Charterers P&I Club Indemnity forms which shall be presented to them for signature upon boarding;

m.t. CV STEALTH - CP dated 23rd February 2010

(e) They will notify the Owners forthwith by telex, telefax or e-mail previously provided of:

- (1) Any accident to the Vessel or incident which is or is likely to be a Major Casualty;
- (2) Any occurrence resulting in the Vessel becoming or being likely to become a Total loss;
- (3) Any requirement or recommendation made by an insurer or classification society, or by any competent authority, which is not complied with within any time limit imposed by such insurer, classification society or authority;
- (4) Any arrest of the Vessel, or the exercise or purported exercise of any lien on the vessel or any requisition of the Vessel for hire.

(f) They will procure that at all times the Vessel is managed only by the Charterers or Charterers' associated company or such managers as shall be approved in writing by the Owners such approval not to be unreasonably withheld. In the event Charterers decide to appoint a third-party manager then Charterers shall invite Owners or their nominees to submit a quotation for the management of the Vessel;

(g) They will maintain the Vessel at all times in accordance with the requirements of (INSERT CLASS) to a standard not less than that to which the Charterers maintain the other vessels owned by the Charterers or their associated companies;

(h) That the Vessel shall remain the property of the Owners and that the Charterers shall have no rights or interest therein otherwise than as Charterers hereunder and that the Charterers shall at no time do or permit to be done any act or thing which might prejudice the rights of the Owners in and to the Vessel.

CLAUSE 9. INDEMNITY:

The Charterers shall pay to the Owners on demand, and indemnity and keep the Owners indemnified against, all costs charges, expenses, claims proceedings (whether civil or criminal)~ liabilities, losses~ penalties, fines, duties and fees (including, but not limited to reasonable, legal fees and expenses on a full indemnity basis provided that Owner's are the prevailing party on any such claim generating such legal fees and expenses) and taxes thereon suffered or incurred by the Owners arising directly or indirectly in any manner out of the possession, management control, chartering, sub-chartering, navigation, victualling, fuelling, manning, supply, insurance, use, operation, return, re-delivery, laying up or storage of or loss of or damage of the Vessel or any other vessel in the actual or disponent ownership of the Charterers or any part thereof or from any maintenance, service, modification~ repair, classification or overhaul of, or otherwise in connection with, the Vessel or such other vessel or any part thereof or any cargo carried therein, and regardless of when the same shall arise and whether or not the Vessel or other vessel or the relevant part thereof

m.t. CV STEALTH – CP dated 23rd February 2010

is in the possession or control of the Charterers; the indemnities contained in this Clause 10, and each other indemnity contained in this Charter shall survive any termination or expiry of this Charter for a period of twelve (12) months from the date thereof and any breach of, or repudiation or alleged repudiation by the Charterers or the Owners of this Charter. Charterers will cover all taxes including US freight taxes if any but excluding tax on income from Vessel's trading.

CLAUSE 10. TERMINATION EVENTS:

Each of the following events shall be a "Termination Event" for the purposes of this Charter:

- (a) The Charterers fail to make any payment on its due date or in respect of money payable on demand, (unless otherwise specifically provided) within seven (7) days from the date of such demand;
- (b) The Charterers are in breach of anyone or more of the provisions of this Charter relation to the insurance of the Vessel;
- (c) The Charterers fail to comply with any provision of this Charter other than those referred to in sub-clauses (a) and (b) above and in case of any such default which the Owners considers capable of remedy, such default continues for a period fourteen (14) days after the Owners, by notice to the Charterers, require the same to be remedied;
- (d) Any license, approval, consent authorization or registration at any time necessary for the validity, enforceability, admissibility in evidence of this Charter, or for the Charterers to comply with their obligations hereunder or in connection with the ownership or operation of the vessel is revoked, withheld or expires;
- (e) The Vessel becomes a Total Loss;
- (f) A petition is filed, or an order made, or an effective resolution passed, for the compulsory or voluntary winding-up or dissolution of the Charterers (other than the purposes of amalgamation or reconstruction in respect of which the prior written approval shall not be unreasonably withheld) or any proceedings analogous to winding-up proceedings are begun in any jurisdiction in relation to the Charterers or if the Charterers suspend payment of, or are unable to or admit inability to pay ~ their debts as they fall due or make any special arrangement or composition with their creditors generally or any class of their creditors;
- (g) As administrator, administrative receivers, receiver or trustee or similar official is appointed of or an encumbrances takes possession of, or execution or distress *is* levied upon~ the whole, or what the Owners consider a material part, of the property, assets or undertaking of the Charterers, or the Charterers apply for, or consent to, any such appointment;
- (h) The Charterers cease, or threaten to cease, to carry on their business} or dispose or threaten to dispose of what the Owners consider a material part of their property, assets or undertaking, or such a part is seized or appropriated;

m.t. CV STEALTH – CP dated 23rd February 2010

- (i) The Vessel is the subject of a Compulsory Acquisition;
- (j) It becomes impossible or unlawful for the Charterers to fulfil any of their obligations under this Charter

Each of the events specified in the above-mentioned clause shall constitute (as the case may be) a repudiatory breach or a breach of condition of this Charter by the Charterers, the occurrence of which will entitle the Owners by notice to the Charterers to terminate the chartering of the Vessel by the Charterers under this Charter, to recover amounts, to claim damages and/or to exercise any other right or remedy to which the Owners may be entitled under this Charter or at law, in equity or otherwise as a consequence of the occurrence of the termination event.

CLAUSE 11. OWNERS' RIGHTS ON A TERMINATION EVENT:

(a) If any termination even shall occur, the Owners may thereupon and at any time thereafter at their option take anyone or more of the following actions:

- (i) Take all action which the Owners may reasonably consider necessary to cure any such Termination Event and recover from Charterers all liabilities, reasonable costs and expenses or incurred by the Owners in doing so;
- (ii) By notice to the Charterers terminate the chartering of the Vessel by the Charterers under this Charter, either immediately or on such date as the Owners may specify, whereupon:

A) the Vessel shall no longer be in the possession of the Charterers, in accordance with Owner's instructions with the consent of the Owners and the Charterers shall promptly redeliver the Vessel to the Owners with all reasonable dispatch in the manner and in the condition governing redelivery as specified under this charter; and;

B) the Owners shall be entitled but not bound (and not without prejudice to the Charterers' obligation under sub-clause (A) above) to retake possession of the Vessel wherever found, irrespective of whether the Charterers, any sub-charterer or any other person may be in possession of the Vessel without being bound to give any prior notice or take any legal process and without liability to the part of the Owners, and the Charterers hereby authorize the Owners, for that purpose, to enter upon any premises where the Vessel may be located.

(b) If the Owners give notice pursuant to sub-clause (a) above to terminate the chartering of the vessel by the charterers, the charterers shall forthwith pay to the Owners all sums of money whether of hire or otherwise due and payable but unpaid under this Charter upon which the Charterers' obligation to pay hire shall cease and the Vessel shall be redelivered to the

m.t. CV STEALTH – CP dated 23rd February 2010

Owners in accordance with this Charter Party.

(c) At any time after giving notice of termination in accordance with sub-clause (a) above the Owners shall be entitled (but not bound) to sell the vessel, free of this Charter and any right or claim of whatsoever nature of the Charterers whether under this Charter or otherwise and free of any other charter or other engagement concerning her, for such price and on such terms and conditions as they may in their absolute discretion think fit.

CLAUSE 12. CONTRADICTION CLAUSE

If there happens to be a discrepancy between the "Barecon 01" as mutually agreed and amended by Owners and Charterers and the Owners additional terms, then additional terms to always supersede the CIP.

CLAUSE 13. THE CHARTER SHALL HAVE THE OPTION TO PURCHASE THE VESSEL AT THE ALTERNATIVE DATES AND PRICES SET OUT BELOW:

On the 3rd Anniversary of the delivery date for a price of USD 47 million
On the 4th Anniversary of the delivery date for a price of USD 45.5 million
On the 5th Anniversary of the delivery date for a price of USD 42 million
On the 6th Anniversary of the delivery date for a price of USD 41 million
On the 7th Anniversary of the delivery date for a price of USD 39 million

(Each of the 3rd, 4th, 5th, 6th and 7th Anniversary of the delivery date shall hereinafter be referred to as the "Purchase Option Date")

The Charterers shall give the Owners notice in writing (the "Notice") of their intention to exercise the purchase option at least 5 MONTHS prior to the relevant Purchase Option Date. On receipt of the Notice the Owners shall take all necessary steps to ensure that there is a smooth transfer of ownership of the Vessel to the Charterers on the relevant Purchase Option Date. The Owners and Charterers agree that the sale and purchase of the Vessel shall be on the terms and conditions of the standard NSF 93 form with logical amendments which the Owners and Charterers agree to conclude and sign at least 90 days prior to the relevant Purchase Option Date.



m.t. CV STEALTH – CP dated 23rd February 2010

CLAUSE 14.

MT CV Stealth shall not be delivered to Charterers before 15 April 2010 / 0001hrs Lt and Chrtrs shall have the option of cancelling this charter if the ship is not ready and at their disposal on or before 30 August 2010 / 2359hrs Lt.

CLAUSE 15.

Owners to give 30/15/10 days approximate, then 5/3/2/1 days firm notice of delivery.
Charterers to give 30/15/10 days approximate, then 5/3/2/1 days firm notice of redelivery.

CLAUSE 16.

Owners warrant to the best of their knowledge that at the time of delivery into the bareboat charter the ship is not blacklisted by the Arab Boycott League.

CLAUSE 17.

Charterers have the option to load and/or discharge and/or lighten the vessel via ship to ship transfer in accordance with the procedure set out in OCIM's 'Ship to Ship Transfer Guide'. But not more than 60 lightering days per annum.

CLAUSE 18.

Local time for laycan, GMT for hire calculation.

CLAUSE 19.

Antifouling application will be 60 months period during the next drydocking and Owners will maintain the original paint condition of entire hull of the both ships applying appropriate touch up and final coats as per NB specifications. If present BB Charterers normally apply 30 months paint, Headowners will ask present BB Charterers (AET) to apply 60 months paint when in drydock for SS. Difference in cost will be borne by new BB Charterers (GEDEN)



m.t. CV STEALTH – CP dated 23rd February 2010

CLAUSE 20.

With regard to EU Directive 2005/33/EC low Sulphur use in EU, the Charterers are seeking to get confirmation from the existing Bareboat Charterers (Messrs AET) to make the necessary applications and communications with the Class to get an extension of 8 months of the implementation date 01.01.2010.

For the Owners

A handwritten signature in black ink, appearing to be "AET", written over a horizontal line.

For the Charterers

A handwritten signature in black ink, appearing to be "TJGH TGH", written over a horizontal line.

ADDENDUM NO. 1

Charter Party dated 23rd February 2010 for
M.T. "CV STEALTH"

With reference to the captioned Charter Party, IT IS THIS DAY HEREBY
AGREED BETWEEN THE PARTIES TO AMMEND BARECON CHARTER PARTY AS
FOLLOWS:

Box 4 of the Barecon Charter Party should read:

"Geden Holdings Limited, Malta or nominee always guaranteed by Geden Holdings
Limited, Malta. Performance Guarantee to the satisfaction of Owners and their
financiers to be mutually agreed."

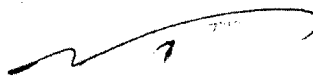
IN WITNESS WHEREOF, the parties have caused this Addendum No.1 to be
duly executed in Copenhagen on this 2nd day of June 2010.

Owners :



By : Himozia Dimareli
Title : Director

Charterers:



By : Thomas Talskov
Title : President

ADDENDUM NO. 2

Charter Party dated 23rd February 2010 for
M.T. "CV STEALTH"

With reference to the captioned Charter Party, IT IS THIS DAY HEREBY
AGREED BETWEEN THE PARTIES TO AMMEND BARECON CHARTER PARTY AS
FOLLOWS:

Box 22 of the Barecon Charter Party should read:

USD 8,750 gross pdpr for the first 365 days after delivery
USD 9,750 gross pdpr for the 2nd charter year
USD 10,750 gross pdpr for the period starting from 730th day after delivery until end
of 3rd year
USD 9,750 gross pdpr for the 4th charter year
USD 9,750 gross pdpr for the 5th charter year
USD 13,250 for the optional period.

Clause 13 of Rider Clauses:


To be deleted.

Delivery:


Delivery is agreed to be effected when inventory count is completed and agreed
between the parties onboard the vessel.

IN WITNESS WHEREOF, the parties have caused this Addendum No.2 to be
duly executed in Copenhagen on this 21st day of June 2010.

Owners :


By : Kimora Dimareli
Title : DIRECTOR

Charterers:


By : Torgun Tokon
Title : DIRECTOR

ADDENDUM NO 3

Dated **29** January 2013

**To the Bareboat Charter dated 23rd February 2010 (the "BBCP")
as amended by an Addendum No 1 dated 2nd June 2010
and by an Addendum No 2 dated 21st June 2010**

BETWEEN

Psara Energy Limited, of the Marshall Islands (the "Owners")

AND

**Space Shipping Ltd, of Malta (the "Charterers")
Geden Holdings Ltd, of Malta (as "Guarantor")**

**Relating to the charter of the crude oil carrier m/t "CV Stealth" (the "Vessel")
pursuant to the terms and conditions of the BBCP.**

With reference to the terms and conditions of the BBCP, it is hereby agreed and confirmed that:

1. The payment of a portion of the daily charter hire of an amount of USD 3,225 arising from the charter hires starting 1st December 2012 until 1st December 2013 shall be deferred. With effect from 1st December 2013 the total amount of deferred charter hires as per this clause (i.e. USD 1,177,125) shall be repaid in proportionately equal instalments until 22nd June 2015 and added to the daily charter hire.
2. Accordingly, the amount of USD 2,072 shall be added to the daily charter hire of Box 22 of the BBCP, from 1st December 2013 until 22nd June 2015.
3. In the event of default of payment by the charterers under the bareboat charters of the Maltese flagged vessel "C.S. Stealth", then such event of default shall be considered as Charterers' Default under the present BBCP.

All other terms and conditions of the BBCP and its Addenda or supplemental agreements or undertakings thereto remain unaltered and in full force and effect.



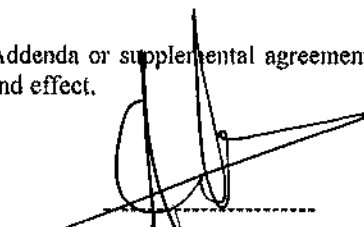
Tizian Tizian

For and on behalf of
the Charterers



Tizian Tizian

For and on behalf of
the Guarantor



For and on behalf of
the Owners

Georgios Amanatidis
Sole Director

EXHIBIT 2

Messrs.
PSARA ENERGY LIMITED
Ajeltake Road, Ajeltake Island
Majuro, MH 96960
Marshall Island

IRREVOCABLE PERFORMANCE GUARANTEE

In consideration of you, Psara Energy Limited / Marshall Island (hereinafter the "Company"), entering into a Bareboat Charterparty and MoA as per rider clause 13 of "BARECON 2001" dated 23 February 2010 and any and all subsequent addenda thereto (the "Contract") with Space Shipping Ltd / Malta (the "Charterer") as charterer and or buyer, we, subject to the provision of the paragraphs below, Geden Holdings Ltd of Malta hereby unconditionally and irrevocably guarantee as primary obligor on first demand the full and timely performance by the Charterer of all its obligations under the Contract, including, but not limited to, the punctual payment of the hire and or the purchase price of the vessel MT CV STEALTH under the Charterparty according to the Contract, providing the Charterer with sufficient funds to fulfill the Contract, due and punctual payment to you of all amounts (if any) owing by the Charterer under or pursuant to the Contract.

Upon receipt your first written demand stating (i) that the claimed amount is due to you and remains unpaid for a period of seven (7) calendar days from the due date and (ii) copies of the hire statement for the relevant period, we especially undertake to make any payment which was due to you under the above-mentioned Contract but has not been paid on the due date by the Charterers to you to your account as specified in the Contract. Such demand is to specify the amount overdue and the date it was due.

A further consideration of the provision of this guarantee is your undertaking, confirmed by your countersignature hereunder, that subject to our payment of any overdue amount under this guarantee within 7 days of receipt of your demand, you will not execute your right of withdrawal of the Vessel as per the Contract and you will refrain from arresting or otherwise detaining any of our assets.



However, in the event of any dispute between you and the Charterer in relation to:


- (1) whether the Charterers shall be liable to pay the sum to you and;
- (2) consequently whether you shall have the right to demand payment from us;

and such dispute shall have been submitted either by the Charterers or by you to Arbitration in accordance with clause 30 part II of the Contract within seven (7) calendar days from the Charterers' receipt of your demand for repayment, then we shall be entitled to withhold and defer payment until the awards is published. We shall not be obligated to make any payment to you unless the judgement orders the Charterers to make repayment. If the Charterers fails to honour the judgement within seven (7) days after that the final judgement had been rendered in the proceedings then we shall pay to you to the extent the judgement orders.

Any compliance with a demand hereunder shall be under strict reservation of, and shall not constitute a waiver of, our and the Charterer's rights in Contract and in Law.

No amendments, additions or variations to or extensions of the Contract, nor the granting of any additional time or other forbearance to the Nominee by you, nor any act or omission by you, shall release us from liability under the terms of this guarantee.

This Guarantee shall come into full force and effect upon the delivery of the same to you and shall continue in force and effect from the time when the charter period commences for a period of (7) seven years plus an additional period of further 12 months, in the case that the first option is declared by the Charterers in accordance with Box 21 Part I of the Contract, plus another additional period of further 12 months, in the case that also the second option is declared by the Charterer in accordance with Clause Box 21 Part I of the Contract, plus another additional period of further 12 months, in the case that also the third option is declared by the Charterer in accordance with Clause Box 21 Part I of the Contract. Notwithstanding the provisions hereinabove, in case we receive notification from you or from the Charterers stating that a claim covered by this Guarantee has been disputed and referred to Arbitration in accordance with the provisions of the Contract the period of validity of this Guarantee shall be extended until thirty (30) days after the final judgment shall be rendered in the proceedings. In such case, this Guarantee shall not be available unless and until such certified copy of the final awards in the Arbitration justifying your claim is presented to us or a written agreement between the parties terminating the dispute is presented to us.



When this Guarantee shall have expired as aforesaid, you will return the same to us immediately without any request or demand from us, but non-return shall not affect the expiry of our commitment hereunder.

This guarantee shall be governed by and construed in accordance with the laws of England and we agree to submit to the non-exclusive jurisdiction of the English High Court.

The address and full style details of the Guarantor are as follows:

Mailing address:

GEDEN HOLDINGS LTD

C/O

BUYUKDERE CADDESI

YAPI KREDI PLAZA A BLOK K-12

LEVENT-ISTANBUL-TURKIYE

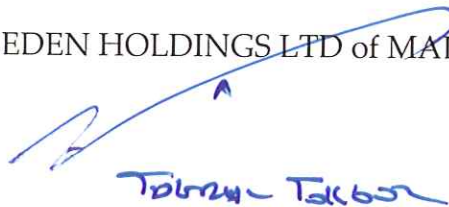
E-mail address:

chartering@gedenlines.com

Tel. +90 212 319 51 00 Fax +90 212 283 1604

04, March, 2010

GEDEN HOLDINGS LTD of MALTA

A handwritten signature in blue ink, appearing to read "T. Gonen T. Aksoy", with a large, sweeping blue flourish above it.

Countersigned:

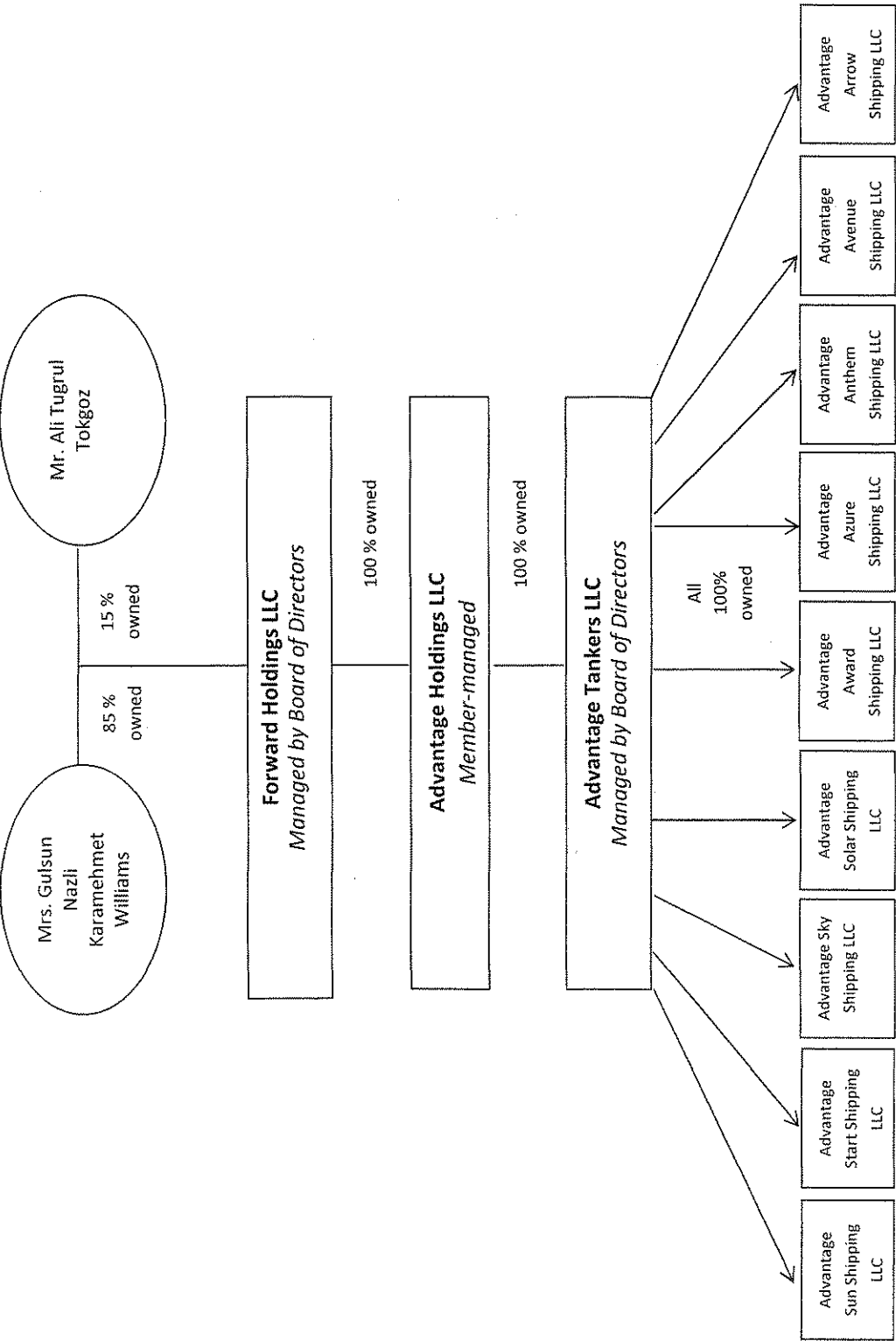
04, March, 2010

SUPER SHIPPING LTD of MALTA

A handwritten signature in blue ink, appearing to read "T. Gonen T. Aksoy", with a large, sweeping blue flourish above it.

EXHIBIT 3

SCHEDULE 11 – Organisational Chart



All Nine Advantage Shipping Entities are Member-managed

EXHIBIT 4

CONSENT LETTER

From: Geden Holdings Ltd (the "Shareholder")
85 St. John's Street, Valletta, Malta

To: Shell Western Supply and Trading Limited (the "Charterer")
Barbados

06.02. 2015

Dear Sirs

- 1 We refer to the time charter parties each dated 13 March 2012 (In the case of the vessel "Royal", dated 17 October 2012) (the "Existing Charters") and entered into between the companies listed in Annex 1 hereto as owners (the "Existing Owners") and the Charterer in respect of the vessels listed in Annex 1 hereto (the "Vessels").
- 2 As part of certain reorganisation efforts being conducted by the existing shareholders of each Existing Owner, it has been proposed that each Existing Owner will sell (the "Vessel Sales") all its title, interest to and right in its Vessel to the relevant companies listed in Annex 1 here to as new owners (and each wholly owned by the Shareholder, the "New Owners").
- 3 Upon each Vessel Sale:
 - (a) the relevant Existing Owner will delete that Vessel from Maltese flag and the relevant New Owner will register that Vessel in its name under Marshall Islands flag;
 - (b) the relevant ship mortgage over that Vessel registered in the name of the banks and financial institutions listed in Annex 1 hereto as Existing Mortgagees shall be discharged and shall be replaced (as part of the financing and/or refinancing arrangements between that New Owner and its financiers) with a new ship mortgage s to be registered in the name of the banks and financial institutions listed in Annex 1 hereto as New Mortgagees;
 - (c) subject to the respective New Owners being acceptable to Charterer following Charterer's KYC and other relevant checks, the Existing Charters will be terminated by mutual agreement between the respective Existing Owners and Charterer and new charters (the "New Charters") will be entered into between the Charterer and the relevant New Owner on terms, inter alia, as follows:
 - (i) each New Charter shall come into effect on the time on which the relevant Vessel is delivered to, and accepted by, the relevant New Owner from the relevant Existing Owner pursuant to that Vessel Sale (the "Vessel Sale Effective Dates");
 - (ii) the duration of each New Charter shall be 5 years from the Vessel Sale Effective Date plus the optional period (3 years for aframaxs and 1 year for suezmaxes);
 - (iii) the charter hire (the "Hire") will be the aggregate of a base rate and profit sharing amount (the "PSA"). The Base Rate payable by the Charterer to the relevant New Owner shall be US\$17,500 per day other than the vessels Advantage Sun, Advantage Sky, Advantage Solar, Advantage Start whereas the base rate shall be US\$18,500 during the initial period of 24 months (the "Base Rate"); The PSA will be calculated as the monthly averages of certain trading routes as described in the relevant charter parties.

54142964v2

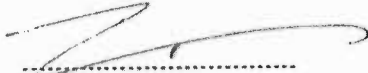
D01248

- (iv) the terms of each New Charter shall otherwise be substantially the same as the terms of its corresponding Existing Charter, save as contemplated by this paragraph 3(c) and for logical amendments.
- 4 A pro-forma of New Charter is annexed to this Letter as Annex 2.
- 5 The Shareholder confirms to the Charterer that:
- (a) It shall procure that an opinion on matters of Maltese law relating to the Title Transfers is given from Fenech & Fenech to the Charterer, in form and substance reasonably satisfactory to the Charterer, within 30 days from the date of this Letter;
 - (b) it shall provide to the Charterer promptly on reasonable request such information regarding the New Owners as the Charterer requires for KYC purposes.
- 6 The Shareholder hereby:
- (a) notifies the Charterer of its intention to complete the Vessel Sales;
 - (b) confirms that it shall keep the Charterer (i) updated of the intended dates and schedule for the completion of each Vessel Sale and (ii) notified on the date on which each Vessel Sale is completed; and
 - (c) requests that the Charterer consents to the termination of the Existing Charters and entry into the New Charters (substantially on the terms above), each to come into effect on the relevant Vessel Sale Effective Date.
 - (d) agrees to procure that upon each Vessel Sale the relevant Existing Owner executes a Memorandum of Termination with Charterer agreeing and confirming that all rights and obligations of the parties under the Existing Charter shall cease and determine with effect from the date of termination provided that this shall not affect or prejudice any claim or demand that either party may have against the other under or in connection with the Existing Charter arising before the date of termination (it being acknowledged and agreed by the Existing Owner that it shall have no claim against the Charterer for early or wrongful termination of the Charter or early redelivery of the Ship.
 - (e) agrees to procure that upon each Vessel Sale each New Owner and the respective New Mortgagee enters into a subordination and non-disturbance agreement with Charterer in a form acceptable to the Charterer and New Mortgagee.
- 7 For the avoidance of any doubt, if, due to any reason whatsoever, any of the above matters falls to be fulfilled until 30 April 2015, as a consequence the matters contained in this letter becomes null and void. The Existing Charters shall however remain valid and binding in all respects between the parties thereof.
- 8 The Charterer, by countersigning this Letter, hereby agrees and consents to the contents contained herein.

f *AK*

- 9 This Letter and any non-contractual obligations arising under or in connection with it shall be governed by English law.

Yours faithfully



For and on behalf of
GEDEN HOLDINGS LTD.

Name: Tuğrul Tokgöz
Title: Director

Agreed, consented and accepted:



For and on behalf of
SHELL WESTERN SUPPLY AND TRADING LIMITED

Name: *David Chapman*
Title: *General Manager*

ANNEX 1

VESSELS

<u>Vessel</u>	<u>Existing Owner</u>	<u>New Owner</u>	<u>Existing Mortgagee</u>	<u>New Mortgagee</u>
Profit (tbr Advantage Solar)	Profit Shipping Ltd. of Malta	Advantage Solar Shipping LLC of the Marshall Islands	DVB Bank NV	DVB Bank NV
Target (tbr Advantage Arrow)	Target Shipping Ltd. of Malta	Advantage Arrow Shipping LLC of the Marshall Islands	Norddeutsche Landesbank Girozentrale	Norddeutsche Landesbank Girozentrale
Bravo (tbr Advantage Atom)	Bravo Shipping Ltd. of Malta	Advantage Atom Shipping LLC of Bahamas	Unicredit AG	Unicredit AG
True (tbr Advantage Avenue)	True Shipping Ltd. of Malta	Advantage Avenue Shipping LLC of the Marshall Islands	Norddeutsche Landesbank Girozentrale	Norddeutsche Landesbank Girozentrale
Blue (tbr Advantage Sky)	Blue Shipping Ltd. of Malta	Advantage Sky Shipping LLC of the Marshall Islands	Commerzbank AG	Hayfin Capital Management LLP
Blank (tbr Advantage Start)	Blank Shipping Ltd. of Malta	Advantage Start Shipping LLC of the Marshall Islands	Bank of America NA	CIT Finance LLC

4 voc

54142964v2

D01251

Value (tbr Advantage Award)	Value Shipping Ltd. of Malta	Advantage Award Shipping LLC of Bahamas	Unicredit AG	Unicredit AG
Power (tbr Advantage Anthem)	Barbaros Maritime Ltd. of Malta	Advantage Anthem Shipping LLC of Bahamas	Unicredit AG	Unicredit AG
Royal (tbr Advantage Sun)	Prima Shipping Ltd. of Malta	Advantage Sun Shipping LLC of the Marshall Islands	Credit Europe NV	CIT Finance LLC

↓ doc

EXHIBIT 5

Dave Chapman

1

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PSARA ENERGY, LTD.,)
Plaintiff,)

VS.) CIV. ACTION NO. 16-CV-04840

SPACE SHIPPING, LTD.;)
ADVANTAGE AVENUE)
SHIPPING, LLC; GENEL)
DENIZCILIK NAKLIYATI A.S.)
A/K/A GEDEN LINES;)
ADVANTAGE TANKERS, LLC,)
ADVANTAGE HOLDINGS, LLC;)
FORWARD HOLDINGS, LLC;)
MEHMET EMIN KARAMEHMET)
and GULSUN NAZLI)
KARAMEHMET WILLIAMS,)
Defendants.)

ORAL DEPOSITION OF
DAVE CHAPMAN
NOVEMBER 30, 2016

ORAL DEPOSITION of DAVE CHAPMAN, produced as a witness at the instance of the Plaintiff, and duly sworn, was taken in the above-styled and numbered cause on November 30, 2016, from 1:22 p.m. to 2:32 p.m., before Patricia L. Fairley, RPR, CSR in and for the State of Texas, reported by machine shorthand at the offices of DepoTexas, 13101 Northwest Freeway, Suite 210, Houston, Texas, pursuant to the Federal Rules of Civil Procedure and the provisions stated in the record or attached hereto.

Dave Chapman

2

A P P E A R A N C E S

FOR THE PLAINTIFF:

Mr. George A. Gaitas
Mr. Jonathan M. Chalos
CHALOS & CO., P.C.
7210 Tickner Street
Houston, Texas 77055
(713) 936-2427 (866) 702-4577 Facsimile
georgegaitas@chaloslaw.com
jmc@chaloslaw.com

FOR THE DEFENDANTS ADVANTAGE AVENUE SHIPPING, LLC,
ADVANTAGE TANKERS, LLC AND ADVANTAGE HOLDINGS, LLC:

Mr. Marc Matthews (Not Present)
PHELPS DUNBAR, LLP
500 Dallas Street
Suite 1300
Houston, Texas 77002
(713) 626-1386 (713) 626-1388 Facsimile
marc.matthews@phelps.com

FOR SHELL OIL COMPANY:

Mr. Marcus A. Carter
SHELL OIL COMPANY
P.O. Box 2463
Houston, Texas 77252-2463
(713) 241-1232 (713) 241-1427 Facsimile
m.carter2@shell.com

* * * * *

Dave Chapman

42

1 A. I believe that's correct.

2 Q. It was acknowledged on behalf of Shell Western?

3 A. Yes.

4 Q. And would -- would you agree with me that these
5 were binding contracts on Shell Western?

6 A. Yes, I would agree.

7 Q. And if someone told you in one of these time
8 charters that the daily rate was going to be \$50,000 a
9 day and the charter itself said 18 1/2 thousand, they
10 would be wrong? The charter party would be correct?
11 What it says in the charter would be correct?

12 A. Well, it depends upon what other agreements
13 were entered into beyond the charter party agreement.
14 You can write amendments to various agreements.

15 Q. Of course. But if -- if the charter party
16 specifies 18 1/2 thousand dollars daily rate, that would
17 be correct? These are correct documents that you were
18 signing; they were not fictitious or --

19 A. No. Those are binding documents that I signed.

20 Q. Binding and accurate?

21 A. They should be accurate.

22 Q. Truthful?

23 A. Yes. Correct.

24 Q. So I want to show you now a document,
25 Exhibit 17.

Dave Chapman

51

1 executing the document. There were people in Shell that
2 had done that work, I'm certain, because I would have
3 asked for evidence to that effect; but I wouldn't have
4 done the work myself.

5 Q. So if you look at Paragraph 2 again, "It has
6 been proposed that each Existing Owner will sell, the
7 Vessel Sales, all its title, interest to and right in
8 its Vessel to the relevant companies listed in Annex 1
9 hereto as new owners, and each wholly owned by the
10 Shareholder, the New Owners."

11 What sense does this make to you? Who owns
12 the new owners?

13 A. It says, "each wholly owned by the Shareholder,
14 the New Owner." I mean, I can't -- I can't interpret it
15 any differently than it says in the paragraph.

16 Q. Right. And would you -- would you look at the
17 very first line, please, where it says, "From" --

18 A. Yes.

19 Q. -- "Geden Holdings, Limited" --

20 A. Yes.

21 Q. -- "the Shareholder"?

22 A. Correct.

23 Q. Do you have any reason to believe -- reason to
24 believe this is -- there is anything in here that's
25 untrue or inaccurate?

Dave Chapman

52

1 A. No, I have no reason to believe that.

2 Q. Give us a minute.

3 A. Yeah, please.

4 (Discussion off the record)

5 Q. (BY MR. GAITAS) All right. Let's go back on
6 the record.

7 A. Okay.

8 Q. Or do you want to take a break?

9 A. No, I'm good. I just don't normally talk this
10 much. No one at the office lets me.

11 Q. Right. Then I'll -- I'll ask you to please
12 look at -- there's -- there's an Appendix 1 that is --
13 Annex 1 that is attached to this.

14 A. Yes.

15 Q. Do you see that?

16 A. I do see that.

17 Q. And if you -- if you go to the Consent Letter,
18 the front -- the front page --

19 A. Yes.

20 Q. -- Item 3, "Upon each Vessel Sale: the
21 relevant Existing Owner will delete the Vessel from the
22 Maltese flag and the relevant New Owner will register
23 the vessel in its name under the Marshall Islands flag."

24 A. Yes, I can see that.

25 Q. From -- from the documents that we saw before,

1 Exhibits 1 with the exception of that letter of
2 Mr. Soudant, this was done?

3 A. I presume so. I --

4 Q. If you look -- if you look at the -- if you
5 look at the Appendix 1 -- Annex 1 --

6 A. Yes.

7 Q. -- vessel PROFIT was renamed ADVANTAGE SOLAR?

8 A. Correct, and went from --

9 Q. And --

10 A. -- the Malta flag to the Marshall flag.

11 Q. -- went -- and from the charter parties you've
12 seen or if you can see, if you want to -- to look at
13 them closely, indeed, the flag changed?

14 A. I -- yes, I presume so.



15 Q. Yeah. And from the documents we have seen
16 before, the previous exhibits, the condition of this
17 Consent Letter, (b), "the relevant ship mortgage
18 registered in the name of the banks and financial
19 institutions listed in Annex 1 hereto as Existing
20 Mortgagees shall be discharged and shall be replaced
21 with a new ship mortgage to be registered in the name of
22 the banks and financial institutions listed in Annex 1
23 hereto as New Mortgagees," again, from the documents you
24 have seen, this has taken place, has it not?

25 A. I presume so.

EXHIBIT 6

SHIP MANAGEMENT AGREEMENT		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO) STANDARD SHIP MANAGEMENT AGREEMENT CODE NAME: "SHIPMAN 98" PART I	
1. Date of Agreement 10 February 2015	Name of Vessel ADVANTAGE ARROW		
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name Advantage Arrow Shipping LLC		Name Genel Denizcilik Nakliyatı A.Ş.	
Place of registered office Trust Company Complex, Ajeltake Road, Ajeltake Islands, Majuro, Marshall Islands MH96960		Place of registered office Büyükdere Caddesi Yapı Kredi Plaza A Blok Kat:12 34330 Levent / İstanbul	
Law of registry MARSHALL ISLAND		Law of registry Türkiye	
4. Day and year of commencement of Agreement (Cl. 2) February 2015			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) YES		6. Technical Management (state "yes" or "no" as agreed) (Cl.3.2) YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) YES		8. Insurance Arrangements (state "yes" or "no" as agreed) Cl. 3.4 YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl.3.6) YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) YES	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3 (i)) 5 YEARS		14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) YES	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 365,000 (per annum)		16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) As per Crewing agreement	
17. Day and year of termination of Agreement (Cl. 17) 5 YEARS FROM DATE OF AGREEMENT		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) English Law	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication <u>to the Owners</u>) (Cl. 20) operations@advantagetankers.com		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication <u>to the Managers</u>) (Cl. 20) Genel Denizcilik Nakliyatı A.Ş. Büyükdere Caddesi Yapı Kredi Plaza A Blok Kat:12 34330 Levent / İstanbul Fax: +90 212 283 16 04-05 Tel: +90 212 319 51 00	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew) "C" ("Initial Budget") and "D" (Associated Vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners) Signed by:  For & On behalf of the Owner TUGRUL TOKGOZ	Signature(s) (Managers) Signed by:  For & On behalf of the Manager ORHAN KARADEMİR / COO
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

PART II

"Shipman 98" Standard Ship Management Agreement

1 1. Definitions

2 In this Agreement save where the context
3 otherwise requires, the following words and
4 expressions shall have the meanings hereby
5 assigned to them.

6 "Owners" means the party identified in Box 2.

7 "Managers" means the party identified in Box 3.

8 "Vessel" means the vessel or vessels details of
9 which are set out in Annex "A" attached hereto.

10 "Crew" means the Master, officers and ratings of
11 the numbers, rank and nationality specified in
12 Annex "B" hereto.

13 "Crew Support Costs" means all expenses of a
14 general nature which are not particularly
15 referable to any individual vessel for the time
16 being managed by the Managers and which are
17 incurred by the Managers for the purpose of
18 providing an efficient and economic management
19 service and, without prejudice to the generality of
20 the foregoing, shall include the cost of crew
21 standby pay, training schemes for officers and
22 ratings, cadet training schemes, sick pay, study
23 pay, recruitment and interviews.

24 "Severance Costs" means the costs which the
25 employers are legally obliged to pay to or in
26 respect of the Crew as a result of the early
27 termination of any employment contract for
28 service on the Vessel.

29 "Crew Insurances" means insurances against crew
30 risks which shall include but not limited to death,
31 sickness, repatriation, injury, shipwreck
32 unemployment indemnity and loss of personal
33 effects.

34 "Management Services" means the services
35 specified in sub-clauses 3.1 to 3.8 as indicated
36 affirmatively in Boxes 5 to 12.

37 "ISM Code" means the International Management
38 Code for the Safe Operation of Ships and for
39 Pollution Prevention as adopted by the
40 International Maritime Organization (IMO) by
41 resolution A.741 (18) or any subsequent
42 amendment thereto.

43 "STCW 95" means the International Convention
44 on Standards of Training, Certification and
45 Watchkeeping for Seafarers, 1978, as amended in
46 1995 or any subsequent amendment thereto.

47 2. Appointment of Managers

48 With effect from the day and year stated in Box 4
49 and continuing unless and until terminated as
50 provided herein, the Owners hereby appoint the
51 Managers, and the Managers hereby agree to act
52 as the Managers of the Vessel.

53 3. Basis of Agreement

54 Subject to the terms and conditions herein
55 provided, during the period of this Agreement,
56 the Managers shall carry out Management
57 Services in respect of the Vessel as agents for and
58 on behalf of the Owners. The Managers shall have
59 authority to take such actions as they may from
60 time to time in their absolute discretion consider
61 to be necessary to enable them to perform this
62 Agreement in accordance with sound ship
63 management practice.

64 3.1 Crew Management

65 (only applicable if agreed according to Box 5)

66 The Managers shall provide suitably qualified
67 Crew for the Vessel as required by the Owners in
68 accordance with the STCW 95 requirements,
69 provision of which includes but is not limited to
70 the following functions:

- 71 (i) selecting and engaging the Vessel's Crew,
72 including payroll arrangements, pension
73 administration, and insurances for the Crew
74 other than those mentioned in Clause 6;
- 75 (ii) ensuring that the applicable requirements
76 of the law of the flag of the Vessel are
77 satisfied in respect of manning levels, rank,
78 qualification and certification of the Crew
79 and employment regulations including
80 Crew's tax, social insurance, discipline and
81 other requirements;
- 82 (iii) ensuring that all members of the Crew have
83 passed a medical examination with a
84 qualified doctor certifying that they are fit
85 for the duties for which they are engaged
86 and are in possession of valid medical
87 certificates issued in accordance with
88 appropriate flag State requirements. In the
89 absence of applicable flag State
90 requirements the medical certificate shall
91 be dated not more than three months prior
92 to the respective Crew members leaving
93 their country of domicile and maintained
94 for the duration of their service on board
95 the Vessel;
- 96 (iv) ensuring that the Crew shall have a
97 command of the English language of a
98 sufficient standard to enable them to
99 perform their duties safely;
- 100 (v) arranging transportation of the Crew,
101 including repatriation;
- 102 (vi) training the Crew and supervising their
103 efficiency;
- 104 (vii) conducting union negotiations;
- 105 (viii) operating the Managers' drug and alcohol
106 policy unless otherwise agreed.

107 3.2 Technical Management

108 (only applicable if agreed according to Box 6)

109 The Managers shall provide technical
110 management, which includes, but is not limited
111 to, the following functions:

- 113 (i) provision of competent personnel to
114 supervise the maintenance and general
115 efficiency of the Vessel;
- 116 (ii) arrangement and supervision of dry
117 dockings, repairs, alterations and the
118 upkeep of the Vessel to the standards
119 required by the Owners provided that the
120 Managers shall be entitled to incur the
121 necessary expenditure to ensure that the
122 Vessel will comply with the law of the flag
123 of the Vessel and of the places where she
124 trades, and all requirements and
125 recommendations of the classification
126 society;

127 (iii) arrangement of the supply of necessary
 128 stores, spares and lubricating oil;
 129 (iv) appointment of surveyors and
 130 technical consultants as the
 131 Managers may consider from time to
 132 time to be necessary;
 133 (v) development, implementation and
 134 maintenance of a Safety
 135 Management System (SMS) in
 136 accordance with the ISM Code (see
 137 sub-clauses 4.2 and 5.3).
 138 (vi) development, implementation and
 139 compliance with International Port Facility
 140 Security Code (ISPS)
 141 **3.3 Commercial Management**
 142 (only applicable if agreed according to Box 7)
 143 The Managers shall provide the commercial
 144 operation of the Vessel, as required by the
 145 Owners, which includes, but is not limited to, the
 146 following functions:
 147 (i) providing chartering services in
 148 accordance with the Owners'
 149 instructions which include, but are not
 150 limited to, seeking and negotiating
 151 employment for the Vessel and the
 152 conclusion (including the execution
 153 thereof) of charter parties or other
 154 contracts relating to the employment
 155 of the Vessel. If such a contract
 156 exceeds the period stated in Box 13,
 157 consent thereto in writing shall first be
 158 obtained from the Owners.
 159 (ii) arranging of the proper payment to
 160 Owners or their nominees of all hire
 161 and/or freight revenues or other
 162 moneys of whatsoever nature to which
 163 Owners may be entitled arising out of
 164 the employment of or otherwise in
 165 connection with the Vessel.
 166 (iii) providing voyage estimates and
 167 accounts and calculating of hire,
 168 freights, demurrage and/or despatch
 169 moneys due from or due to the
 170 charterers of the Vessel;
 171 (iv) issuing of voyage instructions;
 172 (v) appointing agents;
 173 (vi) appointing stevedores;
 174 (vii) arranging surveys associated with
 175 the commercial operation of the
 176 Vessel.
 177 **3.4 Insurance Arrangements**
 178 (only applicable if agreed according to Box 8)
 179 The Managers shall arrange insurances in
 180 accordance with Clause 6, on such terms and
 181 conditions as the Owners shall have instructed or
 182 agreed, in particular regarding conditions, insured
 183 values, deductibles and franchises.
 184 **3.5 Accounting Services**
 185 (only applicable if agreed according to Box 9)
 186 The Managers shall
 187 (i) establish an accounting system which
 188 meets the requirements of the
 189 Owners and provide regular
 190

191 accounting services, supply regular
 192 reports and records,
 193 (ii) maintain the records of all costs and
 194 expenditure incurred as well as data
 195 necessary or proper for the
 196 settlement of accounts between the
 197 parties.
 198
 199 **3.6 Sale or Purchase of the Vessel**
 200 (only applicable if agreed according to Box 10)
 201 The Managers shall, in accordance with the
 202 Owners' instructions, supervise the sale or
 203 purchase of the Vessel, including the performance
 204 of any sale or purchase agreement, but not
 205 negotiation of the same.
 206 **3.7 Provisions** (only applicable if agreed according
 207 to Box 11)
 208 The Managers shall arrange for the supply of
 209 provisions.
 210 **3.8 Bunkering** (only applicable if agreed according
 211 to Box 12) The Managers shall arrange for the
 212 provision of bunker fuel of the quality specified by
 213 the Owners as required for the Vessel's trade.
 214
 215 **4. Managers' Obligations**
 216 **4.1** The Managers undertake to use their best
 217 endeavors to provide the agreed Management
 218 Services as agents for and on behalf of the
 219 Owners in accordance with sound ship
 220 management practice and to protect and promote
 221 the interests of the Owners in all matters relating
 222 to the provision of services hereunder.
 223 Provided, however, that the Managers in the
 224 performance of their management responsibilities
 225 under this Agreement shall be entitled to have
 226 regard to their overall responsibility in relation to
 227 all vessels as may from time to time be entrusted
 228 to their management and in particular, but
 229 without prejudice to the generality of the
 230 foregoing, the Managers shall be entitled to
 231 allocate available supplies, manpower and
 232 services in such manner as in the prevailing
 233 circumstances the Managers in their absolute
 234 discretion consider to be fair and reasonable.
 235 **4.2** Where the Managers are providing Technical
 236 Management in accordance with sub-clause 3.2,
 237 they shall procure that the requirements of the
 238 law of the flag of the Vessel are satisfied and they
 239 shall in particular be deemed to be the
 240 "Company" as defined by the ISM Code, assuming
 241 the responsibility for the operation of the Vessel
 242 and taking over the duties and responsibilities
 243 imposed by the ISM Code when applicable.
 244 **5. Owners' Obligations**
 245 **5.1** The Owners shall pay all sums due to the
 246 Managers punctually in accordance with the
 247 terms of this Agreement.
 248 **5.2** Where the Managers are providing Technical
 249 Management in accordance with sub-clause 3.2,
 250 the Owners shall:
 251 (i) procure that all officers and ratings
 252 supplied by them or on their behalf comply
 253 with the requirements of STCW 95;
 254 (ii) instruct such officers and ratings to obey
 255 all reasonable orders of the Managers in

256 connection with the operation of the
 257 Managers' safety management system.
 258 5.3 Where the Managers are not providing
 259 Technical Management in accordance with sub-
 260 clause 3.2, the Owners shall procure that the
 261 requirements of the law of the flag of the Vessel
 262 are satisfied and that they, or such other entity as
 263 may be appointed by them and identified to the
 264 Managers, shall be deemed to be the "Company"
 265 as defined by the ISM Code assuming the
 266 responsibility for the operation of the Vessel and
 267 taking over the duties and responsibilities
 268 imposed by the ISM Code when applicable.
 269 6. Insurance Policies
 270 The Owners shall procure, whether by instructing
 271 the Managers under sub-clause 3.4 or otherwise,
 272 that throughout the period of this Agreement:
 273 6.1 at the Owners' expense, the Vessel is insured
 274 for not less than her sound market value or
 275 entered for her full gross tonnage, as the
 276 case may be for:
 277 (i) usual hull and machinery marine
 278 risks (including crew negligence)
 279 and excess liabilities;
 280 (ii) protection and indemnity risks
 281 (including pollution risks, and Crew
 282 Insurances); and
 283 (iii) war risks (including protection and
 284 indemnity and crew risks) in
 285 accordance with the best practice
 286 of prudent owners of vessels of a
 287 similar type to the Vessel, with first
 288 class insurance companies
 289 underwriters or associations ("the
 290 Owners' Insurances");
 291 6.2 all premiums and calls on the Owners'
 292 Insurances are paid promptly by their due
 293 date,
 294 6.3 the Owners' Insurances name the Managers
 295 and, subject to underwriters' agreement, any
 296 third party designated by the Managers as a
 297 joint assured, with full cover, with the
 298 Owners obtaining cover in respect of each of
 299 the insurances specified in sub-clause 6.1:
 300 ~~(i) on terms whereby the Managers~~
 301 ~~and any such third party are liable~~
 302 ~~in respect of premiums or calls~~
 303 ~~arising in connection with the~~
 304 ~~Owners' Insurances; or~~
 305 (ii) If reasonably obtainable, on terms
 306 such that neither the Managers nor
 307 any such third party shall be under
 308 any liability in respect of premiums
 309 or calls arising in connection with
 310 the Owners' Insurances or
 311 ~~(iii) on such other terms as may be~~
 312 ~~agreed in writing.~~
 313 Indicate alternative (i), (ii) or (iii) in Box 14. If
 314 Box 14 is left blank then (i) applies
 315 6.4 written evidence is provided, to the
 316 reasonable satisfaction of the Managers, of
 317 their compliance with their obligations under
 318 Clause 6 within a reasonable time of the
 319 commencement of the Agreement, and of
 320 each renewal date and, if specifically

321 requested, of each payment date of the
 322 Owners' Insurances.
 323 7. Income Collected and Expenses Paid on
 324 Behalf of Owners
 325 7.1 All moneys collected by the Managers under
 326 the terms of this Agreement (other than
 327 moneys payable by the Owners to the
 328 Managers) and any interest thereon shall be
 329 held to the credit of the Owners in a
 330 separate bank account.
 331 7.2 All expenses incurred by the Managers under
 332 the terms of this Agreement on behalf of the
 333 Owners (including expenses as provided in
 334 Clause 8) may be debited against the Owners
 335 in the account referred to under sub-clause
 336 7.1 but shall in any event remain payable by
 337 the Owners to the Managers on demand.
 338 8. Management Fee
 339 8.1 The Owners shall pay to the Managers for
 340 their services as Managers under this Agreement
 341 an annual management fee as stated in Box 15,
 342 which shall be payable by equal monthly
 343 instalments in advance, the first instalment being
 344 payable on the commencement of this Agreement
 345 (see Clause 2 and Box 4) and subsequent
 346 instalments being payable every month.
 347 8.2 The management fee is fixed (see Box 15) for
 348 the first two years and increasing by 5% per year
 349 thereafter.
 350 8.3 The Managers shall, at no extra cost to the
 351 Owners, provide their own office accommodation,
 352 office staff, facilities and stationery. Without
 353 limiting the generality of Clause 7 the Owners shall
 354 reimburse the Managers for postage and
 355 communication expenses, travelling expenses, and
 356 other out of pocket expenses properly incurred by
 357 the Managers in pursuance of the Management
 358 Services.
 359 8.4 In the event of the appointment of the
 360 Managers being terminated by the Owners or the
 361 Managers in accordance with the provisions of
 362 Clauses 17 and 18 other than by reason of default
 363 by the Managers, or if the Vessel is lost, sold or
 364 otherwise disposed of, the "management fee"
 365 payable to the Managers according to the
 366 provisions of sub-clause 8.1, shall continue to be
 367 payable for a further period of three calendar
 368 months as from the termination date. In addition,
 369 provided that the Managers provide Crew for the
 370 Vessel in accordance with sub-clause 3.1:
 371 (i) the Owners shall continue to pay Crew Support
 372 Costs during the said further period of *three*
 373 *calendar months and*
 374 (ii) The Owners shall pay an equitable proportion
 375 of any Severance Costs which may materialize,
 376 not exceeding the amount stated in Box 16.
 377 8.5 If the Owners decide to lay-up the Vessel
 378 whilst this Agreement remains in force and such
 379 lay-up lasts for more than three months, an
 380 appropriate reduction of the management fee for
 381 the period exceeding three months until one
 382 month before the Vessel is again put into service
 383 shall be mutually agreed between the parties.
 384 8.6 Unless otherwise agreed in writing all
 385 discounts and commissions obtained by the

386 Managers in the course of the management of the
387 Vessel shall be credited to the Owners.

388 **9. Budgets and Management of Funds**
389

390 9.1 The Managers shall present to the Owners
391 annually a budget for the following twelve
392 months in such form as the Owners require. The
393 budget for the first year hereof is set out in
394 Annex "C" hereto. Subsequent annual budgets
395 shall be prepared by the Managers and
396 submitted to the Owners not less than three
397 months before the anniversary date of the
398 commencement of this Agreement (see Clause 2
399 and Box 4).

400 9.2 The Owners shall indicate to the Managers
401 their acceptance and approval of the annual
402 budget within one month of presentation and in
403 the absence of any such indication the Managers
404 shall be entitled to assume that the Owners have
405 accepted the proposed budget.

406 9.3 Following the agreement of the budget, the
407 Managers shall prepare and present to the
408 Owners their estimate of the working capital
409 requirement of the Vessel and the Managers
410 shall each month update this estimate, based
411 thereon, the Managers shall each month request
412 the Owners in writing for the funds required to
413 run the Vessel for the ensuing month including
414 the payment of any occasional or extraordinary
415 item of expenditure, such as emergency repair
416 costs, additional insurance premiums, bunkers,
417 or provisions. Such funds shall be received by the
418 Managers within ten running days after the
419 receipt by the Owners of the Managers' written
420 request and shall be held to the credit of the
421 Owners in a separate bank account.

422 9.4 The Managers shall produce a comparison
423 between budgeted and actual income and
424 expenditure of the Vessel in such form as
425 required by the Owners monthly or at such other
426 intervals as mutually agreed.

427 9.5 Notwithstanding anything contained herein
428 to the contrary, the Managers shall in no
429 circumstances be required to use or commit
430 their own funds to finance the provision of the
431 Management Services.

432 **10. Managers' Right to Sub-Contract**

433 The Managers shall not have the right to sub-
434 contract any of their obligations hereunder,
435 including those mentioned in sub-clause 3.1
436 without the prior written consent of the Owners
437 which shall not be unreasonably withheld. In the
438 event of such a sub-contract, the Managers shall
439 remain fully liable for the due performance of
440 their obligations under this Agreement.

441 **11. Responsibilities**

442 11.1 Force Majeure - Neither the Owners nor
443 the Managers shall be under any liability for any
444 failure to perform any of their obligations
445 hereunder by reason of any cause whatsoever of
446 any nature or kind beyond their reasonable
447 control.

448 **11.2 Liability to Owners -**

449 (i)

450

451

452

453

454

455

456

457

458

459

460

461

462

463

464

465

466

467

468

469

470

471

472

473

474

475

476

477

478

479

480

481

482

483

484

485

486

487

488

489

490

491

492

493

494

495

496

497

498

499

500

501

502

503

504

505

506

507

508

509

510

511

512

513

514

Without prejudice to sub-clause 11.1, the
Managers shall be under no liability
whatsoever to the Owners for any loss,
damage, delay or expense of whatsoever
nature, whether direct or indirect,
(including but not limited to loss of profit
arising out of or in connection with
detention of or delay to the Vessel) and
howsoever arising in the course of
performance of the Management
Services UNLESS same is proved to have
resulted solely from the negligence, gross
negligence or wilful default of the
Managers or their employees, or agents
or sub-contractors employed by them in
connection with the Vessel, in which case
(save where loss, damage, delay or
expense has resulted from the Managers'
personal act or omission committed with
the intent to cause same or recklessly
and with knowledge that such loss,
damage, delay or expense would
probably result) the Managers' liability
for each incident or series of incidents
giving rise to a claim or claims shall never
exceed a total of ten times the annual
management fee payable hereunder.

(ii) Notwithstanding anything that
may appear to the contrary in this
Agreement, the Managers shall not be
liable for any of the actions of the Crew,
even if such actions are negligent, grossly
negligent or wilful, except only to the
extent that they are shown to have
resulted from a failure by the Managers
to discharge their obligations under sub-
clause 3.1, in which case their liability
shall be limited in accordance with the
terms of this Clause 11.

11.3 Indemnity - Except to the extent and solely
for the amount therein set out that the Managers
would be liable under sub-clause 11.2, the
Owners hereby undertake to keep the Managers
and their employees, agents and sub-contractors
indemnified and to hold them harmless against all
actions, proceedings, claims, demands or
liabilities whatsoever or howsoever arising which
may be brought against them or incurred or
suffered by them arising out of or in connection
with the performance of the Agreement, and
against and in respect of all costs, losses, damages
and expenses (including legal costs and expenses
on a full indemnity basis) which the Managers
may suffer or incur (either directly or indirectly) in
the course of the performance of this Agreement.
11.4 "Himalaya" - It is hereby expressly agreed
that no employee or agent of the Managers
(including every sub-contractor from time to
time employed by the Managers) shall in any
circumstances whatsoever be under any liability
whatsoever to the Owners for any loss, damage or
delay of whatsoever kind arising or resulting
directly or indirectly from any act, neglect or
default on his part while acting in the course of
or in connection with his employment and,

515 without prejudice to the generality of the
 516 foregoing provisions in this Clause 11, every
 517 exemption, limitation, condition and liberty
 518 herein contained and every right, exemption from
 519 liability, defence and immunity of whatsoever
 520 nature applicable to the Managers or to which the
 521 Managers are entitled hereunder shall also be
 522 available and shall extend to protect every such
 523 employee or agent of the Managers acting as
 524 aforesaid and for the purpose of all the foregoing
 525 provisions of this Clause 11 the Managers are or
 526 shall be deemed to be acting as agent or trustee
 527 on behalf of and for the benefit of all persons who
 528 are or might be their servants or agents from time
 529 to time (including sub-contractors as aforesaid)
 530 and all such persons shall to this extent be or be
 531 deemed to be parties to this Agreement.

532 **12. Documentation**
 533 Where the Managers are providing Technical
 534 Management in accordance with sub-clause 3.2
 535 and/or Crew Management in accordance with
 536 sub-clause 3.1, they shall make available, upon
 537 Owners' request, all documentation and records
 538 related to the Safety Management System (SMS)
 539 and/or the Crew which the Owners need in order
 540 to demonstrate compliance with the ISM Code
 541 and STCW 95 or to defend a claim against a third
 542 party.

543 **13. General Administration**
 544 **13.1** The Managers shall notify Owners of all
 545 claims arising out of the Management Services
 546 hereunder and keep the Owners informed
 547 regarding any incident of which the Managers
 548 become aware which gives or may give rise to
 549 claims or disputes involving third parties.

550 **13.2** The owners shall bring or defend actions,
 551 suits or proceedings in connection with matters
 552 entrusted to the Managers according to this
 553 Agreement.

554 **13.3** The Owners shall obtain legal or technical
 555 or other outside expert advice in relation to the
 556 handling and settlement of claims and disputes or
 557 all other matters affecting the interests respect of
 558 the Vessel.

559 **13.4** The Owners shall arrange for the provision
 560 of any necessary guarantee bond or other
 561 security.

562 **13.5** Any costs reasonably incurred by the
 563 Managers in carrying out their obligations
 564 according to Clause 13 shall be reimbursed by the
 565 Owners.

566 **14. Auditing**
 567 The Managers shall at all times maintain and keep
 568 true and correct accounts and shall make the
 569 same available for inspection and auditing by the
 570 Owners at such times as may be mutually agreed.
 571 On the termination, for whatever reasons, of this
 572 Agreement, the Managers shall release to the
 573 Owners, if so requested, the originals where
 574 possible, or otherwise certified copies, of all such
 575 accounts and all documents specifically relating to
 576 the Vessel and her operation.

577 **15. Inspection of Vessel**
 578 The Owners shall have the right at any time after
 579 giving reasonable notice to the Managers to

580 inspect the Vessel for any reason they consider
 581 necessary.

582 **16. Compliance with Laws and Regulations**

583 The Managers will not do or permit to be done
 584 anything which might cause any breach or
 585 infringement of the laws and regulations of the
 586 Vessel's flag, or of the places where she trades.

587 **17. Duration of the Agreement**

588 This Agreement shall come into effect on the day
 589 and year stated in Box 4 and shall continue until
 590 the date stated in Box 17. Thereafter it shall
 591 continue until terminated by either party giving to
 592 the other notice in writing, in which event the
 593 Agreement shall terminate upon the expiration of
 594 a period of two months from the date upon which
 595 such notice was given.

596 **18. Termination**

597 **18.1 Owners' Default**

598 (i) The Managers shall be entitled to
 599 terminate the Agreement with
 600 immediate effect by notice in writing if
 601 any moneys payable by the Owners
 602 under this Agreement and/or the owners
 603 of any associated vessel, details of which
 604 are listed in Annex "D", shall not have
 605 been received in the Managers'
 606 nominated account within ten running
 607 days of receipt by the Owners of the
 608 Manager's written request or if the
 609 Vessel is repossessed by the Mortgagees.

610 (ii) If the Owners:

- 611 (a) fail to meet their obligations under
 612 clause 5.2 and 5.3 of this Agreement
 613 for any reason within their control, or
- 614 (b) proceed with the employment of or
 615 continue to employ the Vessel in the
 616 carriage of contraband, blockade
 617 running, or an unlawful trade, or on a
 618 voyage which in the reasonable
 619 opinion of the Managers is unduly
 620 hazardous or improper,

621 The Managers may give notice of the default to
 622 the Owners, requiring them to remedy it as soon
 623 as practically possible. In the event that the
 624 Owners fail to remedy it within a reasonable time
 625 to the satisfaction of the Managers, the Managers
 626 shall be entitled to terminate the Agreement with
 627 immediate effect by notice in writing.

628 **18.2 Managers' Default**

629 If the Managers fail to meet their obligations
 630 under Clauses 3 and 4 of this Agreement for any
 631 reason within the control of the Managers, the
 632 Owners may give notice to the Managers of the
 633 default, requiring them to remedy it as soon as
 634 practically possible. In the event that the
 635 Managers fail to remedy it within a reasonable
 636 time to the satisfaction of the Owners, the
 637 Owners shall be entitled to terminate the
 638 Agreement with immediate effect by notice in
 639 writing.

640 **18.3 Extraordinary Termination**

641 This Agreement shall be deemed to be terminated
 642 in the case of the sale of the Vessel or if the
 643 Vessel becomes a total loss or is declared as a

644 constructive or compromised or arranged total
645 loss or is requisitioned.

646 18.4 For the purpose of sub-clause 18.3 hereof

647 (i) the date upon which the Vessel is to be
648 treated as having been sold or otherwise
649 disposed of shall be the date on which the
650 Owners cease to be registered as Owners
651 of the Vessel;

652 (ii) the Vessel shall not be deemed to be lost
653 unless either she has become an actual
654 total loss or agreement has been reached
655 with her underwriters in respect of her
656 constructive, compromised or arranged
657 total loss or if such agreement with her
658 underwriters is not reached it is adjudged
659 by a competent tribunal that a
660 constructive loss of the Vessel has
661 occurred.

662 18.5 This Agreement shall terminate forthwith in
663 the event of an order being made or resolution
664 passed for the winding up, dissolution, liquidation
665 or bankruptcy of either party (otherwise than for
666 the purpose of reconstruction or amalgamation)
667 or if a receiver is appointed, or it if suspends
668 payment, ceases to carry on business or makes
669 any special arrangement or composition with its
670 creditors.

671 18.6 The termination of this Agreement shall be
672 without prejudice to all rights accrued due
673 between the parties prior to the date of
674 termination.

675 19. Law and Arbitration

676 19.1 This Agreement shall be governed by and
677 construed in accordance with English law and any
678 dispute arising out of or in connection with this
679 Agreement shall be referred to arbitration in
680 London in accordance with the Arbitration Act
681 1996 or any statutory modification or re-
682 enactment thereof save to the extent necessary
683 to give effect to the provisions of this Clause. The
684 arbitration shall be conducted in accordance with
685 the London Maritime Arbitrators Association
686 (LMAA) Terms current at the time when the
687 arbitration proceedings are commenced.

688 The reference shall be to three arbitrators. A
689 party wishing to refer a dispute to arbitration shall
690 appoint its arbitrator and send notice of such
691 appointment in writing to the other party
692 requiring the other party to appoint its own
693 arbitrator within 14 calendar days of that notice
694 and stating that it will appoint its arbitrator as
695 sole arbitrator unless the other party appoints its
696 own arbitrator and gives notice that it has done so
697 within the 14 days specified. If the other party
698 does not appoint its own arbitrator and give
699 notice that it has done so within the 14 days
700 specified, the party referring a dispute to
701 arbitration may, without the requirement of any
702 further prior notice to the other party, appoint its
703 arbitrator as sole arbitrator and shall advise the
704 other party accordingly. The award of a sole
705 arbitrator shall be binding on both parties as if he
706 had been appointed by agreement.

707 Nothing herein shall prevent the parties agreeing
708 in writing to vary these provisions to provide for
709 the appointment of a sole arbitrator.

710 In cases where neither the claim nor any
711 counterclaim exceeds the sum of USD 50,000 (or
712 such other sum as the parties may agree) the
713 arbitration shall be conducted in accordance with
714 the LMAA Small Claims Procedure current at the
715 time when the arbitration proceedings are
716 commenced.

717 ~~19.2 This Agreement shall be governed by and~~
718 ~~construed in accordance with Title 9 of the~~
719 ~~United States Code and the Maritime Law of the~~
720 ~~United States and any dispute arising out of or in~~
721 ~~connection with this Agreement shall be referred~~
722 ~~to three persons at New York, one to be~~
723 ~~appointed by each of the parties hereto, and the~~
724 ~~third by the two so chosen, their decision that of~~
725 ~~any two of them shall be final, and for the~~
726 ~~purposes of enforcing any award, judgment may~~
727 ~~be entered on an award by any court of~~
728 ~~competent jurisdiction. The proceedings shall be~~
729 ~~conducted in accordance with the rules of the~~
730 ~~Society of Maritime Arbitrators, Inc. In cases~~
731 ~~where neither the claim nor any counterclaim~~
732 ~~exceeds the sum of USD 50,000 (or such other~~
733 ~~sum as the parties may agree) the arbitration~~
734 ~~shall be conducted in accordance with the~~
735 ~~Shortened Arbitration Procedure of the Society~~
736 ~~of Maritime Arbitrators, Inc. current at the time~~
737 ~~when the arbitration proceedings are~~
738 ~~commenced.~~

739 19.3 This Agreement shall be governed by and
740 construed in accordance with the laws of the
741 place mutually agreed by the parties and any
742 dispute arising out of or in connection with this
743 Agreement shall be referred to arbitration at a
744 mutually agreed place, subject to the procedures
745 applicable there.

746 19.4 If Box 18 in Part I is not appropriately filled
747 in, sub-clause 19.1 of this Clause shall apply.

748 Note: 19.1, 19.2 and 19.3 are alternatives;
749 indicate alternative agreed in Box 18.

750 20. Notices

751 20.1 Any notice to be given by either party to the
752 other party shall be in writing and may be sent
753 by fax, telex, registered or recorded mail or by
754 personal service.

755 20.2 The address of the Parties for service of
756 such communication shall be as stated in Boxes
757 19 and 20, respectively.

ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"

NAME OF VESSEL :	ADVANTAGE ARROW
OWNER:	ADVANTAGE ARROW SHIPPING LLC
IMO no:	9419448
Type:	Oil Tanker / Double Hull
Built:	2009 - SAMSUNG HEAVY INDUSTRIES CO. LTD. KOJE, KOREA
Class:	Det Norske Veritas
Tonnage:	61341 GT / 35396 NT
Deadweight:	115804 mt
LOA:	240,63 mtrs
Breadth:	43,80 mtrs
Main Engine:	MAN B&W 6S60MC-C , 13560 kW @ 105 RPM
Auxilliary Boilers:	KANGRIM PB-25 25000 kg/hr 6/16 kg/cm2

ANNEX "B" (DETAILS OF CREW) TO THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"

Date of Agreement : As mentioned in box 1
 Detail of Crew : 25 Crew Members in total
 Contract Duration : abt 4 months Senior Officers
 abt 5 -7 months Junior Officers,
 abt 6 months Ratings

Numbers	Rank	Nationality
1	Master	Turkish
1	Chief Officer	Turkish
1	2nd Officer	Turkish
1	3rd Officer	Turkish
1	4th Officer	Turkish
1	Extra Officer	Turkish
1	Chief Engineer	Turkish
1	2nd Engineer	Turkish
1	3rd Engineer	Turkish
1	4th Engineer	Turkish
1	Elect. Eng.	Turkish
1	Pumpman	Turkish
5	Able Seaman	Turkish
2	Ordinary Seaman	Turkish
1	Fitter	Turkish
3	Oiler	Turkish
1	Chief Cook	Turkish
1	Steward	Turkish

This complement is for standard trade. In case of Special requirements (STS, Storage etc.) the complement may be adopted accordingly.

ANNEX "C" (BUDGET) TO THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"

Date of Agreement : 10 FEBRUARY 2015
 Manager's Budget for the first year with the effect from the commencement date of this agreement:
 Please refer to operating Expense budget with detailed break down of the operating expenses

Estimated budget for 2015 in USD for MT ADVANTAGE ARROW

	Budget In USD
	Perday
Crewing	4,400
Victualing	250
Luboil	500
Technical	1,000
Insurance and other miscellaneous items	1,100
G&A - inclusive of management fees	1,000
Total	8,250

Remarks:

Crewing is based on complement of 25 crew members with Turkish officers & ratings.

Luboil based on 270 seagoing days and on today's prices.

Technical expenses include all costs for stores , spares services, class for engine and deck department

General include all costs for ; communication, representations, travelling, vetting, transportation, ISM/ISPS, port expenses.

Excluding dry docking and related costs.

EXHIBIT 7

Execution copy

USD64,000,000

TERM LOAN FACILITY

Dated

2015

- (1) The Companies listed in Schedule 1
as Borrowers
- (2) Advantage Tankers LLC
as Guarantor
- arranged by
- (3) Norddeutsche Landesbank Girozentrale
as Arranger
- with
- (4) The financial institutions listed in Schedule 1
as Lenders
- (5) Norddeutsche Landesbank Girozentrale
as Agent
- (6) Norddeutsche Landesbank Girozentrale
as Security Trustee
- (7) Norddeutsche Landesbank Girozentrale
as Swap Bank

FACILITY AGREEMENT

relating to the financing of

MV "TRUE" (tbr "ADVANTAGE AVENUE") and MV "TARGET" (tbr "ADVANTAGE ARROW")

Ince & Co LLP
International House
1 St Katharine's Way
London, E1W 1AY
Tel: +44 20 7481 0010
Fax: +44 20 7481 4968

"Advance" means each of the TRUE Advance A, the TRUE Advance B, the TARGET Advance A and the TARGET Advance B being each borrowing (maximum of four (4)) of a proportion of the Total Commitments by the Borrowers or (as the context may require) the outstanding principal amount of such borrowing.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agent" includes any person who may be appointed as agent under this Agreement.

"Annex VI" means Annex VI (Regulations for the Preventions of Air Pollution from Ships) to the International Convention for the Prevention of Pollution from Ships 1973 (as modified in 1978 and 1997).

"Approved Manager" means Genel Denizcilik of Turkey as technical manager and as commercial manager or any other person approved in accordance with Clause 22.3 (*Manager*).

"Approved Valuer" means any of the ship brokers included in the list set out in Schedule 9 or such other independent reputable ship broker in respect of the crude tanker market approved by the Lenders from time to time.

"Assignment Agreement" means an agreement substantially in the form set out in Schedule 7 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"Auditors" means any firm approved in advance by the Lenders (such approval not to be unreasonably withheld or delayed).

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Availability Period" means the period from and including the date of this Agreement to and including

(i) in respect of Loan A the earlier of:

- (a) 31 March 2015 or such other date as the Agent, acting with the authorisation of the Lenders, may agree;
- (b) the Delivery Date of the second Vessel to be delivered; and
- (c) the date on which the Available Commitments are fully borrowed, cancelled or terminated

and (ii) in respect of Loan B the earlier of:

- (a) 31 March 2015 or such other date as the Agent, acting with the authorisation of the Lenders, may agree; and
- (b) the date on which the Available Commitments are cancelled or terminated.

"Available Commitment" means a Lender's Commitment less (a) the amount of its participation in any outstanding Advance and (b) in relation to any proposed Utilisation, the

Borrower:	Advantage Arrow Shipping LLC
Seller:	Target Shipping Ltd
Name:	115,000 dwt oil tanker, built 2009 at Samsung Heavy Industries South Korea m.v. "TARGET" (tbr "ADVANTAGE ARROW") with IMO No 9419450
Scheduled Delivery Date:	Tba
Date and description of MoA:	Memorandum of Agreement made or to be made between the Seller as seller and the Borrower as buyer
Contract Price:	USD37,750,000
Vessel Commitment:	USD27,700,000 plus USD3,300,000
Flag State:	Malta, to be reflagged to Marshall Islands
Charter description:	Time charter made or to be made between the Borrower and the Charterer for a term of five years commencing on or before the Utilisation Date at the Floor Rate plus any Additional Hire Payments.
Charterer:	Shell Western Supply and Trading of Barbados
Classification:	115,000 dwt type crude oil tanker
Classification Society:	Det norske Veritas (DNV)
Technical Manager:	Genel Denizcilik
Commercial Manager:	Genel Denizcilik
Management Agreement:	Management Agreement dated made or to be made between the Technical Manager and the Commercial Manager as manager and the Borrower as owner

EXHIBIT 8

GEDEN HOLDINGS LTD.

85 St. John's Street, Valletta, Malta
Tel: 0090 212 319 51 00 – Fax : 0090 212 325 58 14

Messrs.
PSARA ENERGY LIMITED
Ajeltake Road, Ajeltake Island
Majuro, MH 96960
Marshall Island

04. March. 2010

We hereby confirm that Geden Holdings Ltd., Malta is the Holding Company for all single purpose companies which owns one vessel each. The borrowers for the bank loans are SPCs, not Geden Holdings Ltd., Malta. Geden Holdings Ltd., Malta is the guarantor for the bank loans.

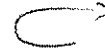
GEDEN HOLDINGS LTD of MALTA


Togen Tokori

EXHIBIT 9



Enterprise Improvement



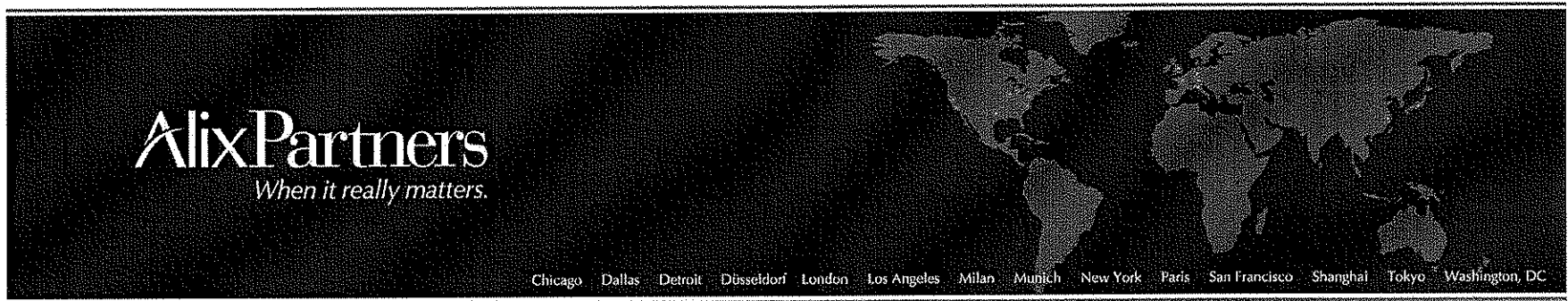
Corporate Turnaround
and Restructuring



Financial Advisory
Services

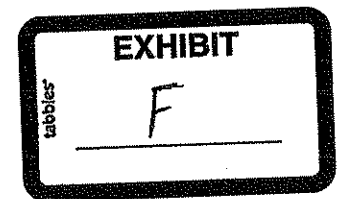


Information Management
Services



Project Hermitage Restructuring

March 6 2013



DEKABANK copy, March 6 2013

www.alixpartners.com

Important Disclaimer

This report ("Report") was prepared by AlixPartners UK LLP ("AlixPartners") exclusively for the sole benefit and internal use of GENEL Denizcilik Nakliyatı A.S. – GEDEN Lines (the "Company") pursuant to a client relationship between AlixPartners and the Company stipulated in the agreement for the provision of consulting services dated 22 November 2012 (the "Engagement Letter"). THIS REPORT IS NOT INTENDED TO BE RELIED UPON BY ANYONE OTHER THAN THE COMPANY, OR INDUCE ACTION OR FORBEARANCE BY ANYONE OTHER THAN THE COMPANY. This Report is strictly confidential and subject to the confidentiality provisions of the Engagement Letter.

The addressee of the Report is the Company. The Report may be made available to the following lenders: HSH Nordbank AG, DVB SE, Dekabank, Commerzbank AG, Bremer Landesbank, Norddeutsche Landesbank, Lloyds TSB Bank Plc, Natixis, Santander (the "Lenders") on a strict non-reliance basis only and subject to the provisions of this disclaimer. By taking receipt of this Report, the Lenders accept and agree to the non-reliance limitation set forth in the preceding sentence and the other provisions in this disclaimer. No other person other than the Company and the Lenders is authorized to have access to this Report, unless he has received AlixPartners' prior written consent and has signed and returned to AlixPartners an acceptable non-reliance report letter.

Should any unauthorized person obtain access to and read this Report, such person accepts and agrees to the following terms:

1. The unauthorized reader of this Report understands that the work performed by AlixPartners was performed in accordance with the instructions provided by the Company and was performed exclusively for the Company's sole benefit and internal use.
2. The unauthorized reader of this Report acknowledges that this Report was prepared at the direction of the Company and may not include all procedures deemed necessary for the purposes of the unauthorized reader.
3. The unauthorized reader agrees that AlixPartners, its partners, employees and agents neither owe nor accept any duty or responsibility to the unauthorized reader, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by any use the unauthorized reader may choose to make of this Report, or which is otherwise consequent upon the gaining of access to the Report by the unauthorized reader. Further, the unauthorized reader agrees that this Report is not to be referred to or quoted, in whole or in part, in any prospectus, registration statement, offering circular, public filing, loan, other agreement or document, and this Report is not to be distributed without AlixPartners prior written.

Important Disclaimer

The information contained in this Report is based upon financial and other data provided to AlixPartners and the representation made to AlixPartners by the management and staff of the Company. AlixPartners further relied on the assurance of management and staff of the Company that they were unaware of any facts that would make the information provided to AlixPartners incomplete or misleading. In preparing the Report, AlixPartners has assumed, without any independent verification, the accuracy and completeness of all information received from the Company, available from public sources, or which was otherwise provided to us. AlixPartners is not responsible whatsoever for any misrepresentations made to AlixPartners during the course of its review. AlixPartners has not subjected the information contained herein to an examination in accordance with generally accepted auditing or attestation standards.

Accordingly, AlixPartners cannot and does not express an opinion on the financial information and does not assume any responsibility for the accuracy or correctness of the projected financial or other data, information and assessments upon which the enclosed document is presented. AlixPartners expresses no view as to the accuracy, completeness or likelihood of the Company's business plan, scenarios, projections or forecasts contained in this Report.

The recipients of the Report, including the Lenders, accept that they will make their own investigation, analysis and decision relating to the possible or actual transaction/financing/credit relationship and/or matter related to such and will not use or rely upon this Report to form the basis of any such decisions. The Report cannot in any way serve as a substitute for inquiries and procedures which the Lenders will or should be undertaking for the purposes of satisfying themselves regarding the Client's business or financial position or for any other purpose in connection with the Lenders' relationship or transaction with the Client.

AlixPartners makes no representation or warranty regarding any actions the Lenders may or may not take in reliance on or in reference to matters presented in the Report. The Lenders accept and agree that AlixPartners, its affiliates, members, officers, partners, employees and agents (the "AlixPartners Entities") neither owe nor accept any duty or responsibility to the Lenders, whether in contract or in tort (including without limitation, negligence and breach of duty of any sort) or however otherwise arising. Any reliance the Lenders choose to place on the information or the Report is a matter of their judgment exclusively and at their own risk. Accordingly, no liability or responsibility whatsoever is accepted by the AlixPartners Entities for any loss howsoever arising from any use of, or in connection with, the Report.

The information in this Report is non-public and considered strictly confidential by the Company and AlixPartners.

Important Disclaimer

This Report includes analyses of the Company's financial projections. These projections may be based, in whole or in part, on projections or forecasts of future events. A forecast, by its nature, is speculative and includes estimates and assumptions which may prove to be wrong. Actual results may, and frequently do, differ from those projected or forecast. Those differences may be material. Items which could impact actual results include, but are not limited to, unforeseen micro- or macro-economic developments, business or industry events, personnel changes, casualty losses, or the inability of the Company to implement plans or programs. The projections are also based upon numerous assumptions, including business, economic and other market conditions. Many of these assumptions are beyond the control of the Company and are inherently subject to substantial uncertainty. Such assumptions involve significant elements of subjective judgment, which may or may not prove to be accurate, and consequently, no assurances can be made regarding the analyses or conclusions derived from financial information based upon such assumptions.

The report is incomplete without reference to, and should be viewed solely in connection with, the oral briefing provided by AlixPartners which forms part of the Report.

The information in the Report reflects conditions and the views of AlixPartners as of this date, all of which are subject to change. AlixPartners undertakes no obligation to update or provide any revisions to the Report to reflect events, circumstances or changes that occur after the date the Report was prepared.

To the extent that any of the AlixPartners Entities provide any recipient of this Report with an oral presentation or explanations in relation to the Report or Client, the recipient of this Report acknowledges that such presentation and explanation will be given subject to the same terms and conditions as those specified in this disclaimer.

Neither the Report nor any of its contents may be copied, reproduced, disseminated, quoted or referred to in any presentation, agreement or document, with or without attribution to AlixPartners, at any time or in any manner other than for the internal use of the Company, without the express, prior written consent of AlixPartners.

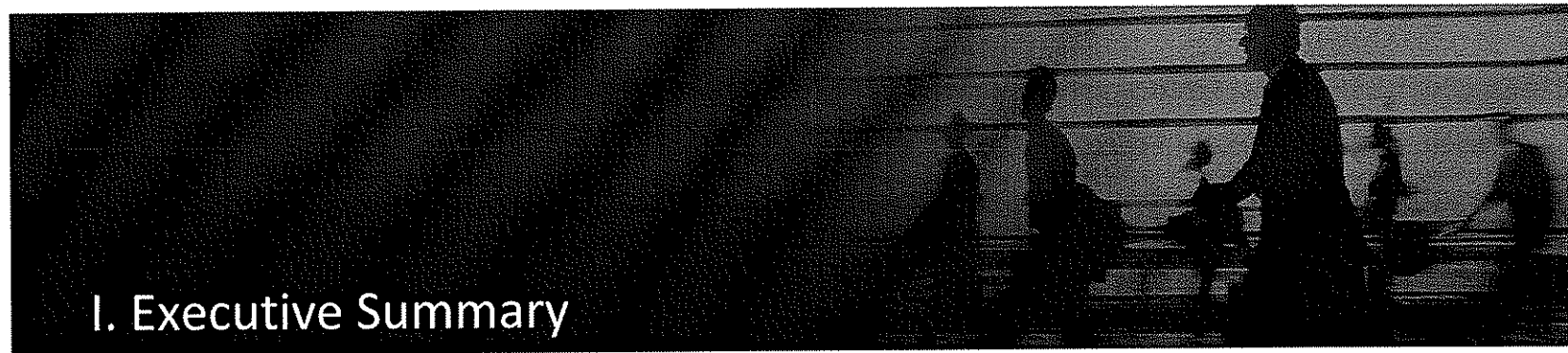


Contents

- I. Executive Summary / Remarks from the Company
- II. Background
- III. Restructuring Proposal
- IV. Financial Analysis
- V. Conclusions

DEKABANK copy⁵ March 6 2013

AlixPartners



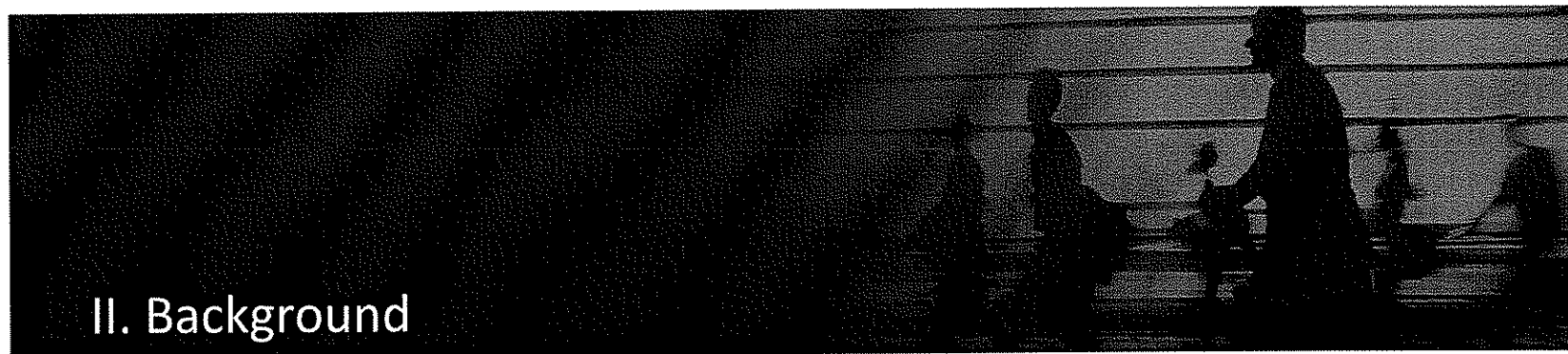
I. Executive Summary

DEKASANK copy, March 6 2013⁶

AlixPartners

Executive Summary

- ▶ The November 20 Proposal provides the basis for a formal or informal standstill period during which the Company can develop, negotiate and implement a structure providing a viable long term solution
- ▶ The November 20 Proposal has shown to be effective as an interim measure providing liquidity and stability to the Company but it is unlikely to provide a definitive solution. One significant obstacle to its long-term implementation is the transfer of cash flows away from banks towards charterers
- ▶ In considering alternatives for a financial restructuring, the Company sought to achieve the following key objectives:
 - Compensate stakeholders adequately for their risk-weighted capital exposure and concessions
 - Constrain cross subsidization between stakeholders related to different underlying assets
 - Ring-fence potential sources of disruption, holdout, or nuisance (such as arrests or sister-ship arrests)
 - Maximize options for stakeholders and potential for self-selection
- ▶ A long term plan involves grouping and ringfencing assets according to their debt service capacity and sensitivity to a recovery in rates.
- ▶ This can be achieved by executing arms-length sale transactions of the [SPVs] at market value into appropriate newcos:
 - a) Newco Alpha: up to 29 vessels (mostly Tanker operations) financed by “Hamburg” banks, Natixis, Credit Europe (including Second Lien), NSF Second Lien and Lloyds; Alpha to be partially recapitalized with new equity and financed through 5 different facilities
 - b) Newco Beta: 4 vessels financed by CCB and CDB.
 - c) Group C: GB Global, NSF (South and East)
 - d) Group D: the remaining vessels, essentially comprised of Icon, Octavian, Stealth, FSL



II. Background

DEKABANK copy, ⁸ March 6 2013

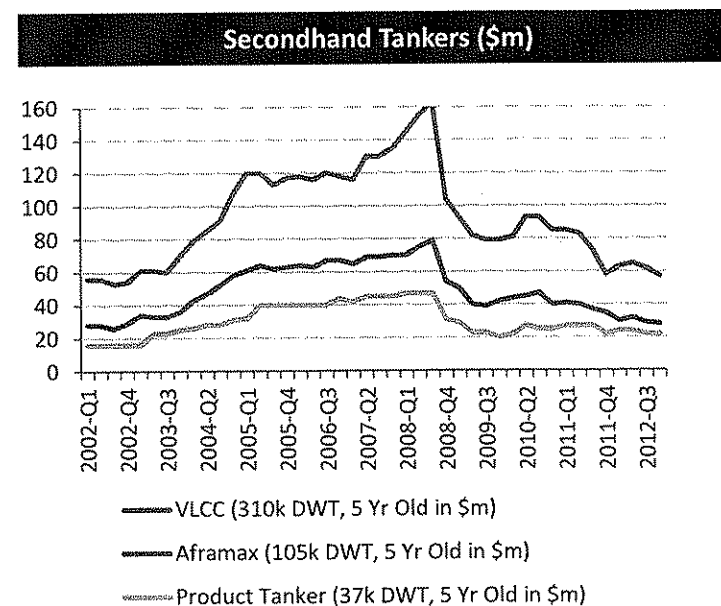
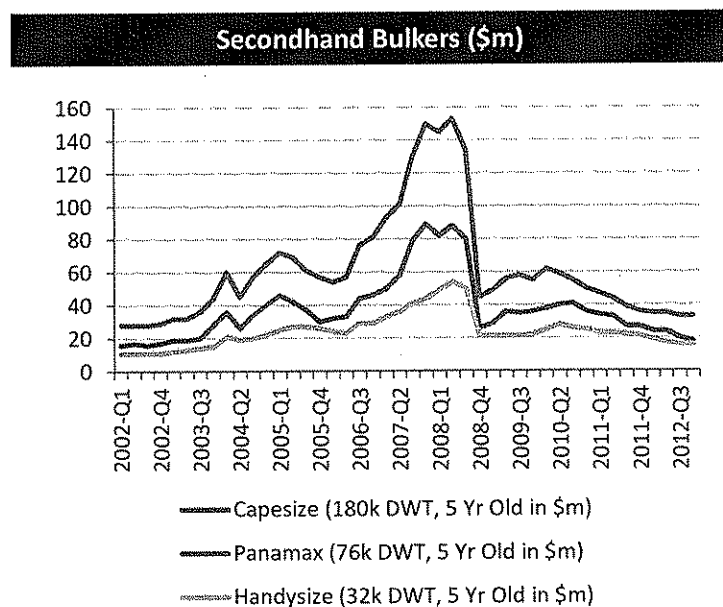
AlixPartners

B. V. A. C. E. R. V. E. N. T. A. R. Y.

Background

The Market

- ▶ Neither the tanker nor the bulker market recovered through 2012 and vessel earnings have remained low
 - The tanker market has shown signs of firmness in Q1 2013 but there is little optimism for a sustained recovery before Q3 2013
 - The bulker market continues to be very weak and has performed slightly below the Nov 20 Business Plan forecast during Q1 2013
- ▶ Asset values have continued to deteriorate through the end of 2012. The latest levels as per Clarkson Research sustained decline to multiyear lows:
 - 5yr old VLCC, Aframax and Product tankers at \$57m, \$28m, and \$22m
 - 5yr old Capesize, Panamax, and Handysize at \$33m, \$18m, and \$16m



Source: Clarkson Research

DEKABANK copy, March 6 2013

AlixPartners

Background

The Company

- ▶ The Company has actively been managing its portfolio since 2008, mainly via:
 - The investment of c.\$700m in equity along with \$1.8B of bank and sale-leaseback (18) financing
 - The Sale of 12 vessels upon delivery for net proceeds of \$136m
 - The Sale of 17 vessels operating within the fleet for net proceeds of \$79m
 - The sale –leaseback of 18 vessels to finance \$665m in deliveries of which 7 in 2013 (\$171m)
- ▶ Earnings from vessels financed by banks have fallen \$45m short of debt service in the period 2011-2012. Similarly, earnings from bareboat vessels have fallen \$43m short of obligations in the period 2011-2012.
- ▶ In order to maintain minimum operational liquidity, the Company has instituted a moratorium during the first quarter including the following measures
 - Deferral of 100% from all lenders other than CCB and CDB who have already agreed to a debt rescheduling starting from Q4 2012
 - Deferral of some November and December 2012 principal repayments
 - Deferral of 35% of the bareboat hire payments
 - Refinancing of Royal via Credit Europe facility; Repayment of 2012 bank principal overdue ⁽¹⁾
 - Management of supplier overdue through the quarter
- ▶ While all stakeholders have reserved their rights, some specific stakeholder actions have affected the cash flows
 - Unicredit has drawn on its deposit accounts
 - Icon issued a lien notice to the charterers and has directly received charter income
- ▶ With above measures and actions, available cash is projected at only c.\$23.8m including retention at the end of March and c.\$7.5m in restricted cash deposits

⁽¹⁾ Does not include default interest, margin increases and bank fees

CONFIDENTIAL

Company and Fleet Overview

The Company – Recent Events

► Flash

1. The Flash ran aground at the end of June and is currently arrested in Tunisia
2. The customer has invoked damage of goods (wet coal) and has refused to take delivery
3. 180 days have elapsed as of Feb 2013, potentially giving rise to a Constructive Total Loss on a hull coverage of \$110m
4. The claim has been rejected by the Club on the basis that the damage is to cargo
5. An arbitrator is to be appointed week of Mar 4 2013

► Baytur

1. Baytur is expected to be delivered in the first week of April for \$13.6m in proceeds

► Royal Refinancing

1. The Royal was refinanced through a \$37.5m facility with Credit Europe
2. Credit Europe has cross-collateralized its second lien on the Namrun and the Scope (behind Natixis) with a second mortgage on the Royal
3. \$10m has been paid to HSH and \$10m is outstanding to the yard

CONFIDENTIAL

Company and Fleet Overview

Employment, Tanker

Tankers									
Ref	Vessel	Type	Daily Charter Net Rate	Charterer	Maturity	Profit Share End Date	Option Rate	Option Maturity	Option (Month)
1	MT AQUA	Aframax Tanker	12,675	CHEVRON	Apr-13	-	12,675	Oct-13	6
2	MT ACTION	Aframax Tanker	12,706	URSA SHIPPING	Mar-13	-	12,706	May-13	2
3	MT TARGET	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
4	MT TRUE	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
5	MT SPIKE	Aframax Tanker	12,825	URSA SHIPPING	Mar-13	-	12,825	Oct-13	6
6	MT AVOR	Aframax Tanker	13,063	URSA SHIPPING	Aug-13	-	13,063	Feb-14	6
7	MT VALUE	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
8	MT BRAVO	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
9	MT POWER	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
10	MT PROFIT	Suezmax Tanker	13,000	SHELL	Apr-15	Jun-14	13,000	Apr-18	36
11	MT CENTER	Suezmax Tanker	15,675	NIDAS	Jun-13	-	19,500	Jun-14	12
12	MT BLUE	Suezmax Tanker	13,000	SHELL	Apr-15	Jun-14	13,000	Apr-18	36
13	MT PINK	Suezmax Tanker	36,834	GLENCORE	Jun-15	-	36,834	Jun-15	-
14	MT BLANK	Suezmax Tanker	13,000	SHELL	Apr-15	Jun-14	13,000	Apr-18	36
15	MT REEF	Suezmax Tanker	37,080	GLENCORE	Jul-15	-	37,080	Jul-15	-
16	MT HERO	Suezmax Tanker	13,000	SHELL	Nov-15	Jun-14	13,000	Nov-18	36
17	MT ROYAL	Suezmax Tanker	13,000	SHELL	Nov-15	Jun-14	13,000	Nov-18	36
18	MT ENJOY	Panamax Tanker	13,825	CSSA	Mar-14	-	-	Mar-14	-
19	MT MARKA	Panamax Tanker	11,959	Panamax International (P.I.)	Jun-13	-	12,925	Dec-13	6
20	MT CITRON	MR Pro/Chem Tanker	13,380	SHELL	May-13	-	13,380	Jul-13	2
21	MT CITRUS	MR Pro/Chem Tanker	13,380	SHELL	Jul-13	-	13,380	Sep-13	2
22	MT ACOR	Ice Class Pro/Chem Tanker	11,700	NORDEN	Apr-13	-	-	May-13	1
23	MT CARRY	Ice Class Pro/Chem Tanker	11,150	NORDEN	Aug-13	-	-	Sep-13	1
24	MT ROVA	Ice Class Pro/Chem Tanker	12,250	CSSA	Nov-13	-	-	Dec-13	1
25	MT COTTON	Ice Class Pro/Chem Tanker	12,250	CSSA	Nov-13	-	-	Dec-13	1
26	MT CARGO	Ice Class Pro/Chem Tanker	11,690	NORDEN	May-13	-	-	Jun-13	1
27	MT ROCK	Ice Class Pro/Chem Tanker	11,690	NORDEN	Mar-13	-	-	Apr-13	1
28	MT ROCKET	Ice Class Pro/Chem Tanker	11,690	NORDEN	Jun-13	-	-	Jul-13	1

DEKARANK copy, 12 March 6 2013

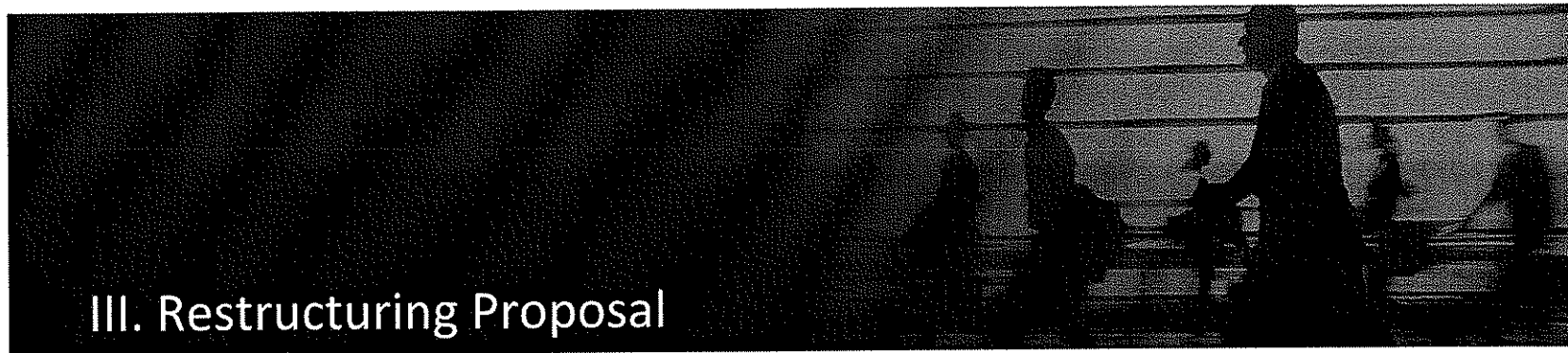
AlixPartners

Company and Fleet Overview

Employment, Bulk

Bulkers									
Ref	Vessel	Type	Daily Charter Net Rate	Charterer	Maturity	Profit Share End Date	Option Rate	Option Maturity	Option (Month)
31	MV SCOPE	Capesize Bulk Carrier	10,000	SWISS MARINE	Oct-13	-	-	May-14	7
32	MV FLASH	Capesize Bulk Carrier		ARRESTED	-	-	-	Jan-00	-
33	MV PROUD	Capesize Bulk Carrier	56,000	COSCO	Jun-14	-	-	Jun-14	-
34	MV ANGEL	Capesize Bulk Carrier	4,533	SWISS MARINE	Mar-13	-	-	Mar-13	-
35	MV PRETTY	Capesize Bulk Carrier	7,600	SWISS MARINE	Feb-13	-	-	May-13	3
36	MV CASH	Kamsarmax Bulk Carrier		N/A	-	-	-	Jan-00	-
37	MV COLLECTION	Kamsarmax Bulk Carrier		N/A	-	-	-	Jan-00	-
38	MV CITY	Kamsarmax Bulk Carrier		N/A	-	-	-	Jan-00	-
39	MV ASIA	Supramax Bulk Carrier	7,014	SUPREME BULK CARRIERS	Jan-13	-	7,014	Apr-13	3
40	MV FANTASTIC	Supramax Bulk Carrier	6,978	SUPREME BULK CARRIERS	Jan-13	-	6,978	Apr-13	3
41	MV AMAZING	Supramax Bulk Carrier	7,267	SUPREME BULK CARRIERS	Feb-13	-	7,267	May-13	3
42	MV TARSUS	Supramax Bulk Carrier	6,978	SUPREME BULK CARRIERS	May-13	-	6,978	Jul-13	2
43	MV SPOT	Supramax Bulk Carrier	10,925	COPA	Feb-13	-	-	Feb-13	-
44	MV CLEAR	Supramax Bulk Carrier	5,850	Denmar Chartering & Trading GMBH Hamburg, Germany	May-13	-	5,850	May-13	-
45	MV NAMRUN	Supramax Bulk Carrier	7,256	SUPREME BULK CARRIERS	Jan-13	-	7,256	Apr-13	3
46	MV BAYTUR	Supramax Bulk Carrier	6,978	SUPREME BULK CARRIERS	Jan-13	-	6,978	Apr-13	3
47	MV SOUTH	Supramax Bulk Carrier	6,978	SUPREME BULK CARRIERS	Jan-13	-	6,978	Apr-13	3
48	MV EAST	Supramax Bulk Carrier	8,422	WORLDWIDE INVESTMENT	Feb-13	-	8,422	Feb-13	-
49	MV WEST	Supramax Bulk Carrier	7,219	SUPREME BULK CARRIERS	Jan-13	-	7,219	Apr-13	3
50	MV SECRET	Supramax Bulk Carrier	8,422	SUPREME BULK CARRIERS	Jan-13	-	8,422	Apr-13	3
51	MV SHARP	Supramax Bulk Carrier	8,075	SIVA BULK	May-13	-	-	Jan-00	2
52	MV CAPITAL	Supramax Bulk Carrier	8,075	SIVA BULK	May-13	-	-	Jan-00	2
53	MV METROPOL	Supramax Bulk Carrier	7,219	SUPREME BULK CARRIERS	Mar-13	-	-	Jan-00	-
54	MV WORLD	Supramax Bulk Carrier	8,265	SIVA BULK	Apr-13	-	8,265	Jul-13	-
55	MV EARTH	Mini Bulk Carrier		On Spot	-	-	-	Jan-00	-
56	MV WIND	Mini Bulk Carrier		On Spot	-	-	-	Jan-00	-
29	MT CV STEALTH	Aframax Tanker	11,700	PT Armada	Mar-13	-	11,700	Apr-13	1
30	MT CS STEALTH	Aframax Tanker	12,255	Petrovietnam Transport Corp	Mar-13	-	12,255	Mar-13	-

DEK BANK copy March 3 2013



III. Restructuring Proposal

DEKABANK copy, ¹⁴ March 6 2013

AlixPartners

DRAFT & PRELIMINARY

Restructuring Proposal

Key Assumptions

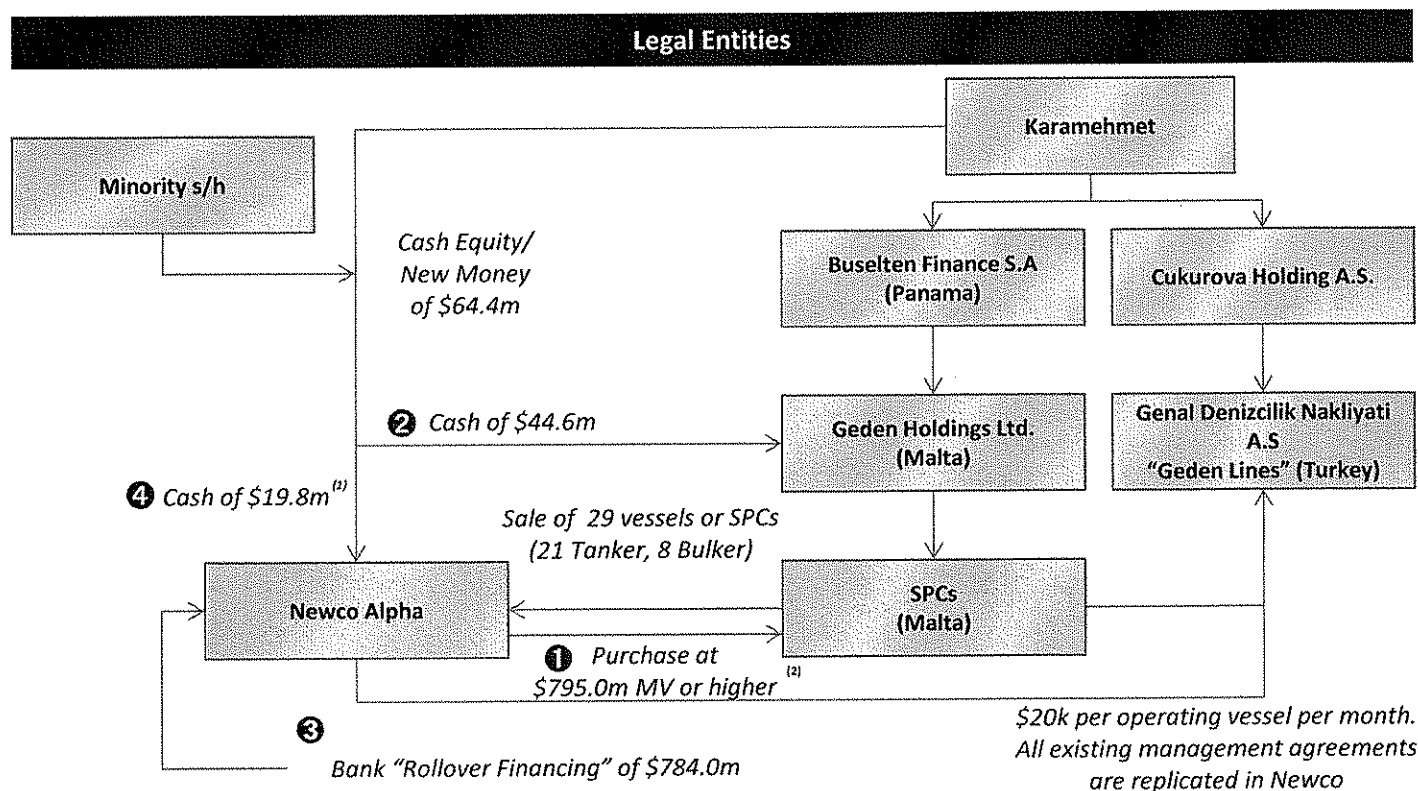
- ▶ Key assumptions under the Plan include
 - All ships sold **at minimum of market value or value of loan** and on an arms-length basis.
 - There will be **some change in the ownership** in the go-forward entities Newco Alpha and Beta (in order to protect relevant lenders from sister ship arrests in South Africa - type jurisdictions)
 - Stakeholders in groups **C and D will have the option to move into A** subject to loan modifications adhering to the conditions prevalent in that entity.
 - Stakeholders in **C and D can have their vessels redelivered** subject to acceptable terms for termination.
- ▶ The Company would prefer a coordinated financing approach in Newco
- ▶ The Second Lien debt relating to NSF and Credit Europe is transferred/novated upon the sale. There may be an opportunity to renegotiate terms of mezzanine debt (NSF, Credit Europe) as part of the sale but it has not been contemplated here
- ▶ Deposits related to facilities (Unicredit, Profit, etc.) are netted the outstanding loan amounts; the loans are reconstituted after the transaction and the deposits are eliminated

DRAFT - PRELIMINARY

Plan B – Split of Fleet via Newco A

Newco A Example

- **Newco Alpha:** Intended to form a viable standalone entity of up to 29 vessels (21 Tanker and 8 Bulker) in which the quality of vessel earnings would enable limited deferrals compared to those required in the November 20 proposal; New equity provided in the transaction to reduce total bank exposure and improve LTV coverage ratio for the majority of the facilities
- **Assumptions :** 1) Sale of ships at market value from Olco to Newco 2) Equity to fund any shortfall in collateral in Oldco 3) New bank financing in Newco provided at 95% LTV 4) New Equity in Newco as required for 95% LTV.



Note: Indicative transaction structure subject to legal due diligence

⁽¹⁾ Equity of \$1.1m also as a result of transfer of Namun at value greater than senior debt

⁽²⁾ \$52.6m financed in excess of market value of assets

DRAFT - FOR DISCUSSION ONLY

Plan B – Split of Fleet via Newco: Alpha

Structuring: Facility #1

- **Facility#1:** Newco Alpha financing at 95% LTV, LIBOR +3% on a 15 year loan profile from delivery date based 20 year working life minus 5 years. Pro Forma debt in Facility#1 includes second liens behind Natixis related to Credit Europe (\$16.1m)

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan ⁽¹⁾	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo (LTV of 95%) [B*(1-95%)]	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
FACILITY #1	Hamburg banks paid down to 95% LTV including any current shortfalls										
Aframax	NLB	Target	99%	95%	28.7	29.0	0.3	1.5	1.5	0.3	27.6
Aframax	NLB	True	108%	95%	33.4	31.0	(2.4)	1.6	4.0	0.0	29.5
Aframax	Unicredit	Value	95%	95%	31.5	33.0	0.0	1.7	1.7	0.0 ⁽⁴⁾	31.4
Aframax	Unicredit	Bravo	95%	95%	31.5	33.0	0.0	1.7	1.7	0.0 ⁽⁴⁾	31.4
Aframax	Unicredit	Power	97%	95%	31.9	33.0	0.0	1.7	1.7	0.0 ⁽⁴⁾	31.4
Suezmax	DVB NLB	Profit	96%	95%	39.4	41.0	1.6	2.1	2.1	1.6	39.0
Suezmax	CB NLB BrLB	Blue	99%	95%	40.5	41.0	0.5	2.1	2.1	0.5	39.0
Suezmax	HSH 1	Hero	99%	95%	48.5	49.0	0.5	2.5	2.5	0.5	46.6
MR	HSH 2	Citron	107%	95%	22.5	21.0	(1.5)	1.1	2.6	0.0	20.0
MR	HSH 2	Citrus	107%	95%	23.6	22.0	(1.6)	1.1	2.7	0.0	20.9
Handy	DVB NLB SAN	Acor	96%	95%	20.1	21.0	0.9	1.1	1.1	0.9	20.0
Handy	DVB NLB SAN	Carry	100%	95%	21.0	21.0	0.0	1.1	1.1	0.0	20.0
Handy	DVB NLB SAN	Rova	100%	95%	21.0	21.0	0.0	1.1	1.1	0.0	20.0
Handy	DVB NLB	Cotton	100%	95%	21.0	21.0	0.0	1.1	1.1	0.0	20.0
Handy	DVB NLB	Cargo	91%	95%	21.0	23.0	2.0	1.2	1.2	2.0	21.9
Handy	DVB NLB	Rock	95%	95%	21.9	23.0	1.1	1.2	1.2	1.1	21.9
Handy	DVB NLB	Rocket	95%	95%	21.9	23.0	1.1	1.2	1.2	1.1	21.9
Handymax	DVB	Asia	102%	95%	19.4	19.0	(0.4)	1.0	1.3	0.0	18.1
Mini Bulker	DVB	Earth	98%	95%	2.9	3.0	0.1	0.2	0.2	0.1	2.9
Mini Bulker	DVB	Wind	98%	95%	2.9	3.0	0.1	0.2	0.2	0.1	2.9
Subtotal Facility #1		20	99%	95%	504.7 ⁽¹⁾	511.0	(5.9) ⁽²⁾	25.6	31.5 ⁽³⁾	12.2	485.5

⁽¹⁾ To be adjusted for repayments before closing of the transaction (figures do not include principal repayments made week ending Feb 22)

⁽²⁾ Represents sum of shortfall only

⁽³⁾ Total amount of equity related to sale / purchase of vessels in Facility #1

⁽⁴⁾ \$4.1m related to excess collateral in Unicredit facility could be eliminated and repaid/refinanced through NSF 2nd Lien

DEKABANK copy, March 8 2013

AlixPartners

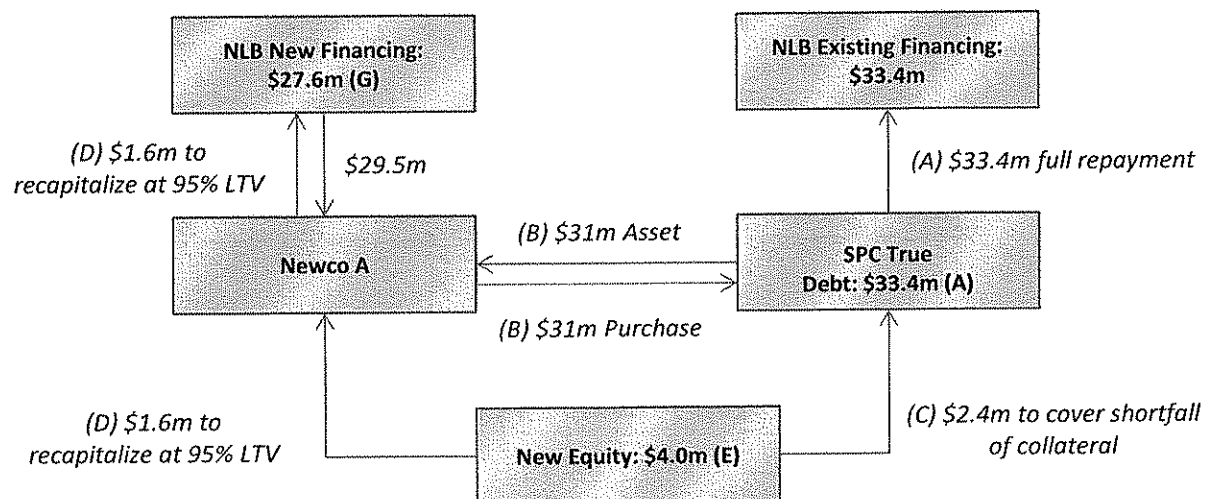
DRAFT - PROPRIETARY

Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #1

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo (LTV of 95%) [B*(1-95%)]	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Aframax	NLB	True	108%	95%	33.4	31.0	2.4	1.6	4.0	0.0	29.5

1. True is sold from Oldco to Newco Alpha at market value \$31m (B)
2. Any shortfall against the mortgage is funded by \$2.4m new equity (C) and the whole of the Oldco debt is paid down. If there is value above the mortgage, the excess cash remains in Oldco
3. NLB and New Equity recapitalize Newco at a maximum of 95% LTV; NLB has reduced its exposure by \$3.9m and improved LTV by 13%



Note: Indicative transaction structure subject to legal due diligence

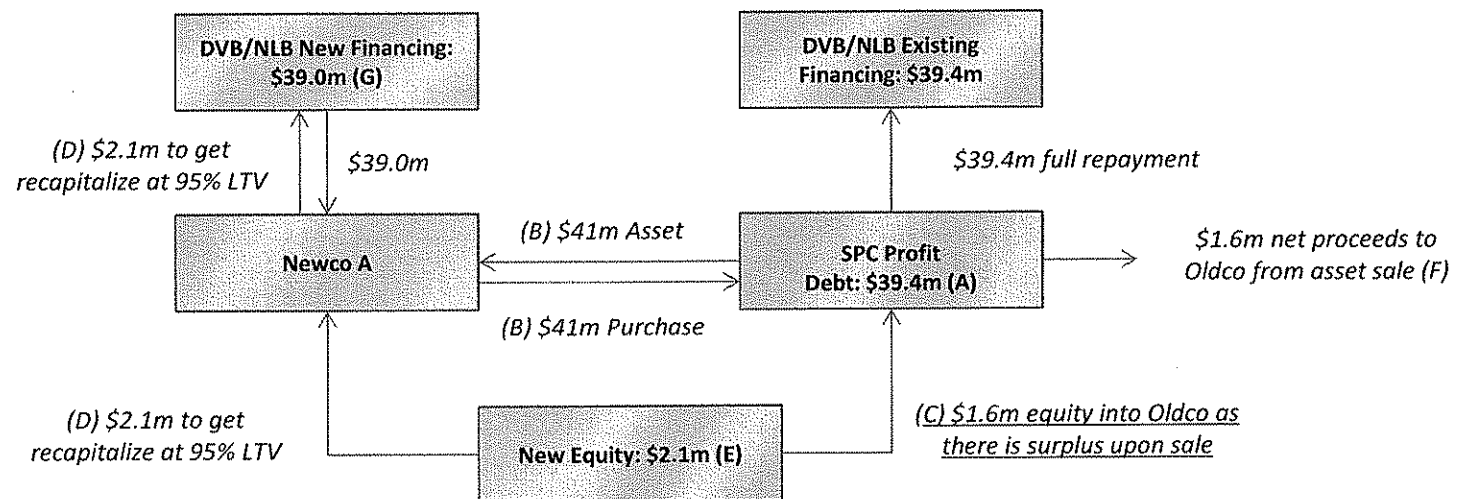
CONFIDENTIAL

Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #2

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo (LTV of 95%) [B*(1-95%)]	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Suezmax	DVB NLB	Profit	96%	95%	39.4	41.0	1.6	2.1	2.1	1.6	39.0

1. Profit is sold from Oldco to Newco Alpha at \$41m market value (B)
2. If there is value above the mortgage, the excess cash remains in Oldco (C). Any shortfall would need to be funded via additional equity
3. DVB and New Equity recapitalize Newco at maximum of 95% LTV; NLB has reduced its exposure by \$0.4m and improved LTV by 1%



Note: Indicative transaction structure subject to legal due diligence

Plan B – Split of Fleet via Newco: Alpha

Structuring

- ▶ Facility#2: Lloyds vessels sold and refinancing provided on the same terms
- ▶ Facility#3: Natixis vessels sold and refinancing provided on the same terms; Namrun facility extended and ship potentially sold in 2-3 yrs
- ▶ Facility#4: Credit Europe sold and refinancing provided on the same terms
- ▶ Facility#5: Dekabank vessels sold and refinancing provided on PAYC basis and no covenants
- ▶ Facility#6: NSF Second Lien behind Unicredit on the same terms

Facility#6: NSF Second Lien behind Omcredit on the same terms											
Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo (LTV of 95%) [B*(1-95%)]	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into into OldCo [Positive C]	(G) New debt drawdown [D - A]
FACILITY #2 Lloyds facility rolled over into Newco Alpha on existing terms											
Suezmax	Lloyds	Pink	85%	85%	37.3	44.0	6.7	6.7	6.7	6.7	37.3
Suezmax	Lloyds	Blank	68%	68%	32.2	47.0	14.8	14.8	14.8	14.8	32.2
Suezmax	Lloyds	Reef	75%	75%	34.6	46.0	11.4	11.4	11.4	11.4	34.6
FACILITY #3 Natixis facilities rolled over into Newco Alpha on existing terms											
Capesize	Natixis 1	Scope	87%	87%	23.4	27.0	n/a	n/a	n/a	n/a	23.4
Handymax	Natixis 2	Namrun	88%	88%	14.0	16.0	n/a	n/a	n/a	n/a	14.0 ⁽²⁾
FACILITY #4 Loan includes \$37.5m new refinancing from Credit Europe plus \$16.1m 2 nd priority loans relating to the Scope and the Namrun											
Suezmax	Credit Europe	Royal	107% ⁽¹⁾	107%	53.6	50.0	n/a	n/a	0.0	0.0	53.6
FACILITY #5 Deka facility rolled over into Newco but paid only from available cash from these vessels											
Handymax	Deka	Tarsus	133%	133%	24.0	18.0	n/a	n/a	n/a	n/a	24.0
Handymax	Deka	Spot	139%	139%	25.0	18.0	n/a	n/a	n/a	n/a	25.0
Handymax	Deka	Clear	139%	139%	25.0	18.0	n/a	n/a	n/a	n/a	25.0
FACILITY #6 NSF 2 nd Lien facilities											
			n/a	n/a	25.5	n/a	n/a				25.5
TOTAL Newco Alpha											
	29	97%	95%	799.3	795.0	(5.9) ⁽³⁾	58.5	64.4	44.6	784.0	
					MV of Newco Alpha Assets			Total Capital required		New Alpha deb	

⁽¹⁾ Royal refinancing includes second lien ; LTV on first lien is 75%

⁽²⁾ Equity value from the rollover of the Namrun loan on \$16m in MV; equity not retained by Oldco due to 2nd Lien by Credit Europe

⁽³⁾ Represents sum of shortfall only

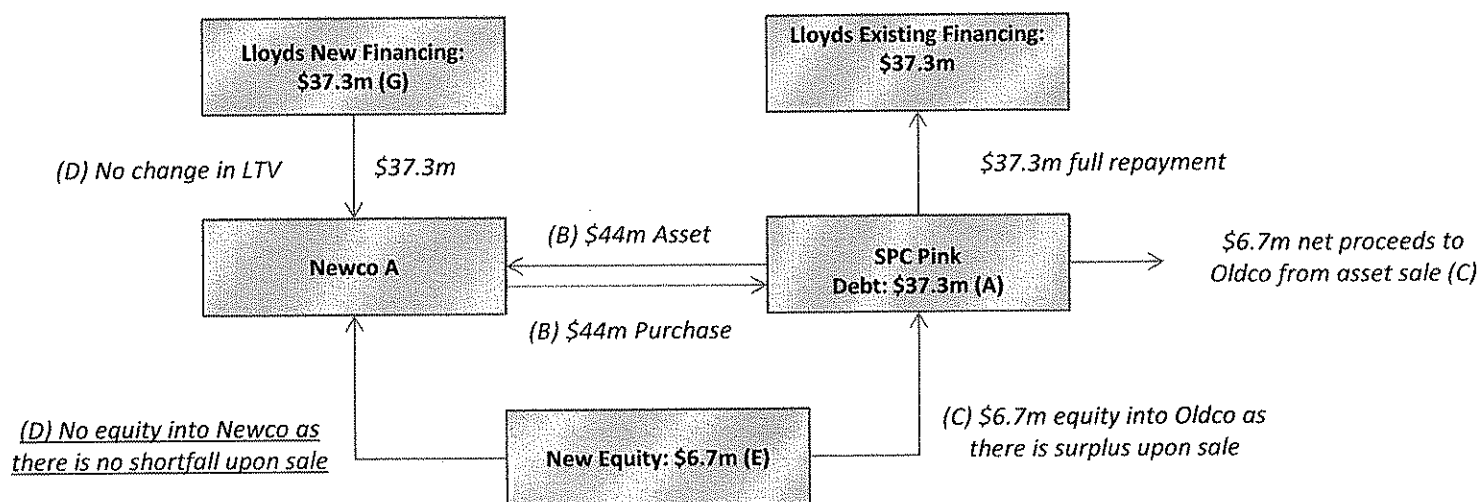
CONFIDENTIAL

Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #3

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Suezmax	Lloyds	Pink	85%	85%	37.3	44.0	6.7	6.7	6.7	6.7	37.3

1. Pink is sold from Oldco to Newco Alpha at market value (B)
2. The excess cash over the mortgage value remains in Oldco (C)
3. Lloyds and New Equity recapitalize Newco at a maximum of 95% LTV; Given that coverage is lower than 95% (85%), no new equity is required upon refinancing of Newco with \$37.3m in debt



Note: Indicative transaction structure subject to legal due diligence

DRAFT & PRELIMINARY

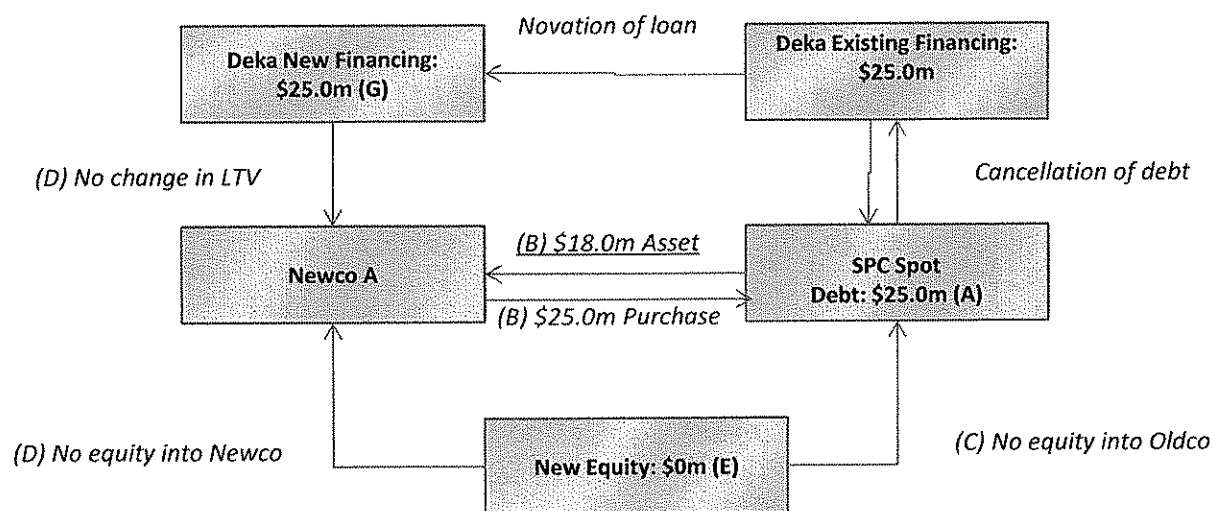
Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #4

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Handymax	Deka	Spot	139%	139%	25.0	18.0		0.0	0.0	0.0	25.0

1. Spot is sold from Oldco to Newco Alpha at \$25m being equivalent to outstanding loans
2. Loans are novated to Newco
3. Loans are paid out of available cash on the vessel only

Amount of loan novated is beyond market value at the time of the transaction; no recapitalization



Note: Indicative transaction structure subject to legal due diligence

Plan B – Split of Fleet via Newco: Alpha

Structuring – Sources and Uses, Pro Forma Balance Sheet

Sources		Uses	
New equity ⁽¹⁾	64.4	Purchase of assets	784.0
New financing	784.0	Net bank debt paydown	19.3
		Equity to cover collateral shortfall and excess value	45.1
Total Sources	\$848.4	Total Uses	\$848.4

⁽¹⁾ Does not include additional liquidity for operational cash

DEXABANK copy. March 6 2013

DRAFT - PRELIMINARY

Plan B – Split of Fleet via Newco: Beta

Structuring

- ▶ **Newco Beta:** Contains 4 Bulkiers financed by Chinese banks. These are considerably under water yet they must be offered attractive terms given that the Chinese banks benefit from a Corporate Guarantee.
- ▶ **Assumptions :** Loans novated to Newco Beta on existing terms. **Subject to an appropriate rescheduling of obligations we do not envisage equity being required for Newco Beta.**

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value
Capesize	CCB	Flash	100%	100%	33.1	33.0
Capesize	CCB	Proud	100%	100%	33.1	33.0
Capesize	CDB	Angel	119%	119%	43.0	36.0
Capesize	CDB	Pretty	125%	125%	45.1	36.0
Total Newco Beta		4	112%	112%	154.3	138.0

DEK-BANK copy, March 6 2018

Plan B – Split of Fleet via Newco: Group C

Structuring

- ▶ **Group C:** Contains 11 Bulkers financed by GB Global as well as the NSF-financed vessels.
- ▶ **Assumptions :** Entity would require revision of current contractual debt service in order to maintain liquidity; Subject to adequate concessions, facilities could opt into Newco Alpha or desist from participation and take ships back

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value
Kamsarmax	GB Global	Cash	96%	96%	26.0	27.0
Kamsarmax	GB Global	Coll./Chance	96%	96%	26.0	27.0
Kamsarmax	GB Global	City	96%	96%	26.0	27.0
Handymax	NSF	South	84%	84%	19.3	23.0
Handymax	NSF	East	84%	84%	19.3	23.0
Handymax	GB Global	West	103%	103%	23.7	23.0
Handymax	GB Global	Secret	103%	103%	23.7	23.0
Handymax	GB Global	Sharp	103%	103%	23.7	23.0
Handymax	GB Global	Capital	103%	103%	23.7	23.0
Handymax	GB Global	Metropol	103%	103%	23.7	23.0
Handymax	GB Global	World	103%	103%	23.7	23.0
Total Group C		11	98%	98%	258.8	265.0

DEK-BANK copy, March 6 2018

Plan B – Split of Fleet: Residual Oldco: Group D

Structuring

- ▶ **Group D, Geden Oldco:** 11 Group D vessels make up the residual fleet and are not part of the Company's future. These include the vessels funded by FSL, Icon, Octavian and Stealth when traditional financing was unavailable. Baytur will be sold April 2013.
- ▶ **Assumptions :** Entity would require revision of current contractual debt service in order to maintain liquidity; Proceeds from the sale to Newco Alpha would provide liquidity to pay down payables.

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan (PV of leases)	(B) Current Estimated Value
Aframax	FSL	Aqua	234%	234%	60.8	26.0
Aframax	FSL	Action	234%	234%	60.8	26.0
Aframax	Stealth	Spike	177%	177%	55.0	31.0
Aframax	Stealth	Avor	176%	176%	54.5	31.0
Suezmax	Icon 1	Center	145%	145%	67.9	47.0
Panamax	Octavian 1	Enjoy	141%	141%	42.2	30.0
Panamax	Octavian 2	Marka	128%	128%	41.0	32.0
Handymax	Icon 2	Fantastic	157%	157%	29.9	19.0
Handymax	Icon 2	Amazing	157%	157%	29.9	19.0
Chartered - Afra_Tanker	not ours	CV Stealth				
Chartered - Afra_Tanker	not ours	CS Stealth				
Subtotal SPVs		11 ⁽¹⁾	169%	169%	441.9	261.0
Corporate facility	Bank Asya				39.5	
Total Group D					481.4	

⁽¹⁾ Baytur sold before the transaction

Plan B – Summary

Bank Exposure: By Facility

	Estimated Value	Current debt	LTV Current	PF Debt	LTV After	Change in debt	Change in LTV
Unicredit	99.0	94.9	96%	94.1	95%	(0.8)	-1%
NLB	60.0	62.1	104%	57.0	95%	(5.1)	-9%
HSH 2	43.0	46.1	107%	40.9	95%	(5.3)	-12%
DVB	25.0	25.3	101%	23.8	95%	(1.5)	-6%
CB NLB BrLB	41.0	40.5	99%	39.0	95%	(1.5)	-4%
DVB NLB SAN	63.0	62.1	99%	59.9	95%	(2.3)	-4%
HSH 1	49.0	48.5	99%	46.6	95%	(2.0)	-4%
DVB NLB	131.0	125.2	96%	124.5	95%	(0.8)	-1%
GB Global	219.0	220.3	101%	220.3	101%	0.0	0%
CDB	72.0	88.1	122%	88.1	122%	0.0	0%
CCB	66.0	66.2	100%	66.2	100%	0.0	0%
Credit Europe	50.0	53.6	107%	53.6	107%	0.0	0%
Lloyds	137.0	104.1	76%	104.1	76%	0.0	0%
NSF	46.0	38.5	84%	38.5	84%	0.0	0%
Natixis 1	27.0	23.4	87%	23.4	87%	0.0	0%
Natixis 2	16.0	14.0	88%	14.0	88%	0.0	0%
Octavian 2	32.0	41.0	128%	41.0	128%	0.0	0%
Octavian 1	30.0	42.2	141%	42.2	141%	0.0	0%
Deka	54.0	74.0	137%	74.0	137%	0.0	0%
Icon 1	47.0	67.9	145%	67.9	145%	0.0	0%
Icon 2	38.0	59.7	157%	59.7	157%	0.0	0%
Stealth	62.0	109.5	177%	109.5	177%	0.0	0%
FSL	52.0	121.6	234%	121.6	234%	0.0	0%
TOTAL	1,459.0	1,628.8	112%	1,609.5	110%	(19.3)	-1%

27
DEKABANK copy. March 6 2012

AlixPartners

CONFIDENTIAL

Plan B – Summary

Bank Exposure: By Bank

	Estimated Value	Current debt	LTV Current	PF Debt	LTV After	Change in debt	Change in LTV
Unicredit	99.0	94.9	96%	94.1	95%	(0.8)	-1%
NLB	170.1	168.8	99%	161.6	95%	(7.1)	-4%
DVB	106.3	103.4	97%	100.9	95%	(2.5)	-2%
Commerzbank	14.8	14.6	99%	14.0	95%	(0.6)	-4%
BrLB	13.1	13.0	99%	12.5	95%	(0.5)	-4%
Santander	23.8	22.5	95%	22.0	93%	(0.6)	-2%
HSB	92.0	94.6	103%	87.4	95%	(7.2)	-8%
GB Global	219.0	220.3	101%	220.3	101%	0.0	0%
CDB	72.0	88.1	122%	88.1	122%	0.0	0%
CCB	66.0	66.2	100%	66.2	100%	0.0	0%
Credit Europe	50.0	53.6	107%	53.6	107%	0.0	0%
Lloyds	137.0	104.1	76%	104.1	76%	0.0	0%
NSF	46.0	64.0	139%	64.0	139%	0.0	0%
Natixis	35.0	30.4	87%	30.4	87%	0.0	0%
Octavian	62.0	83.2	134%	83.2	134%	0.0	0%
Deka	54.0	74.0	137%	74.0	137%	0.0	0%
Icon	85.0	127.6	150%	127.6	150%	0.0	0%
Stealth	62.0	109.5	177%	109.5	177%	0.0	0%
FSL	52.0	121.6	234%	121.6	234%	0.0	0%
TOTAL	1,459.0	1,654.3	113%	1,635.0	112%	(19.3)	-1%



IV. Financial Analysis

DEKABANK copy, ²⁹ March 6 2013

AlixPartners

Assumptions

General

- Business plan is based on the following main assumptions:

Operations

- 20 offhire days for drydocking
- Rates applied to reflect type of vessel, adjusted for contract terms
- Charter-out options exercised if below market rate
- No Opex inflation
- No working capital movements

Investments

- Dry docking taken from technical management schedule
- No asset sales
- Capex as per financing commitments
- Charter-in come off upon expiry
- Purchase obligations resold at loss/gain equal to current differential between market value and financial obligation

Financing

- No variation in current base rate
- Margins as per specific facilities (following pages)
- Amortization as per specific facilities
- No interest rate swap
- Refinancing of Royal providing \$27.5m net liquidity post HSH repayment and before any repayment to yard (\$10m)
- Extension of Namrun on same terms upon Nov-13 maturity; likely to be sold within 2-3 years

Restructuring

- No mechanism for bareboat catch-up
 - Bareboat purchase options not exercised
 - No restructuring fees
 - All bank deferrals assumed to take on new profile or bullet repayment (no assumption on bareboat deferrals)
-

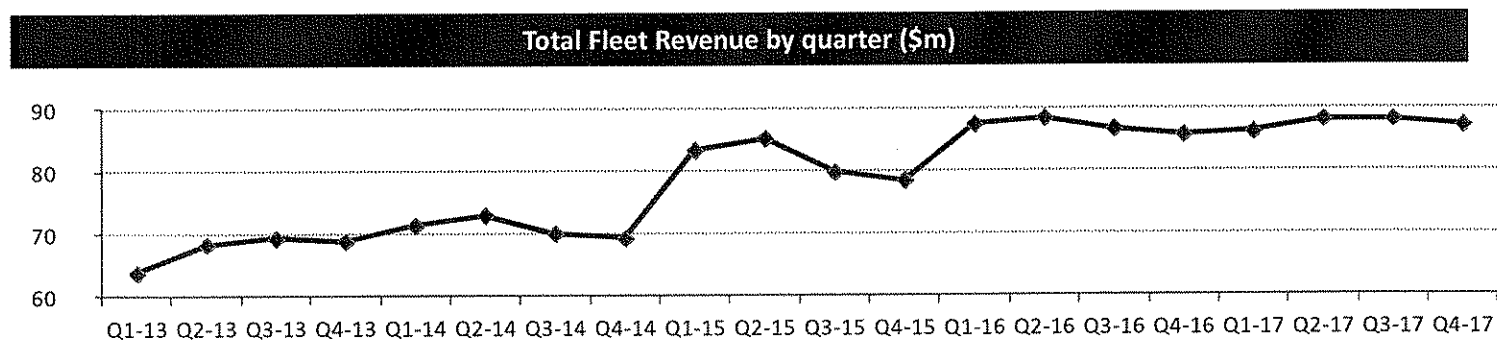
Assumptions

Rates

- The Company's market projections imply CAGR increases of 8-11% for the majority of the fleet:

\$/day	2013	2014	2015	2016	2017	CAGR (12-17)
Aframax Tanker	14,000	14,000	17,500	19,000	21,000	8%
Suezmax Tanker	15,000	15,000	22,000	24,000	24,000	8%
Panamax Tanker	13,500	13,500	14,500	17,500	17,500	5%
MR Pro/Chem Tanker	13,000	13,000	15,000	15,000	15,000	3%
Ice Class Pro/Chem Tanker	12,500	12,500	14,000	14,000	14,000	3%
Capesize Bulk Carrier	15,000	17,500	20,000	22,000	22,000	11%
Kamsarmax Bulk Carrier	12,500	15,000	15,000	20,000	20,000	15%
Supramax Bulk Carrier	10,000	11,000	15,000	17,500	17,500	17%
Mini Bulk Carrier	5,000	6,000	7,000	8,000	8,000	15%

- The actual revenue increase accruing to the fleet through the projection differs as a result of the exercise of charter options and the JV structure on certain vessels (mainly Shell). Revenue CAGR through the period is 6.6%



Financial Analysis

Summary of Terms: Newco Alpha

NewCoAlpha #1	Terms
Senior Facilities	- NLB, Uni, DVB NLB, CB NLB BrLB, HSH1, HSH2, DVB NLB SAN, DVB NLB, DVB
Amount	- \$485.5m (\$504.7m outstanding pre-transaction)
Interest	- Base Rate: LIBOR - Margin: 300bps w/ potential step-up based on prevalent rates
Amortization	- 9-month grace period - Straight line profile based on first 15 years of vessel life - 5 year maturity
Covenants	- 95% LTV at close - 85% in Q4 14; 80% in Q4 15
Security	- Share pledges, mortgages, earnings
Other	- Removal of all deposit accounts

NewCoAlpha #2	Terms
Senior Facilities	- Lloyds
Amount	- \$104.1m (no change)
Interest	- Base Rate: LIBOR - Margin: No change (300bps)
Amortization	- Current profile - Elimination of cash sweep
Covenants	- No change
Security	- Share pledges, mortgages, earnings
Other	- n/a

NewCoAlpha #3	Terms
Senior Facilities	- Natixis
Amount	- \$37.4m (no change)
Interest	- Base Rate: LIBOR - Margin Scope: 160bps - Margin Namrun: 120bbps - 300bps starting with refinancing of Namrun
Amortization	- Current profile
Covenants	- No change
Security	- Share pledges, mortgages, earnings
Other	- n/a

DEKABANK copy, March 6 2013

AlixPartners

Financial Analysis

Summary of Terms: Newco Alpha

NewCoAlpha #4	Terms	NewCoAlpha #5	Terms
Senior Facilities	- Credit Europe 1 st and 2 nd Lien on Royal, Namrun, Scope	Senior Facilities	- Dekabank
Amount	- \$53.6m (\$37.5m 1 st plus \$16.1m 2 nd)	Amount	- \$74.0 (no change)
Interest	- Base Rate: n/a - Interest Royal 1 st Lien : 800bps - Interest 2 nd Lien: 1,000bps	Interest	- Base Rate: LIBOR - Margin Tarsus: 245bps - Margin Spot: 185bps - Margin Clear: 245bps
Amortization	- Current profile	Amortization	- Amortisation on a cash/pay-as-you-can basis from vessel earnings
Covenants	- 2 year grace and 5 year profile	Covenants	- Suspended
Security	- Share pledges, mortgages, earnings	Security	- Share pledges, mortgages, earnings
Other	- n/a	Other	- Removal of all deposit accounts - Coordination agreement prohibiting recourse to the remainder of the group
NewCoAlpha #6	Terms		
Senior Facilities	- NSF 2 nd Lien (behind Unicredit)		
Amount	- \$25.5m (no change)		
Interest	- Base Rate: n/a - Fixed Margin: 1,150bps		
Amortization	- Current profile		
Covenants	- No change		
Security	- 2 nd Mortgages with possibility of additional 2 nd priority mortgages on entire facilities		
Other	- n/a		

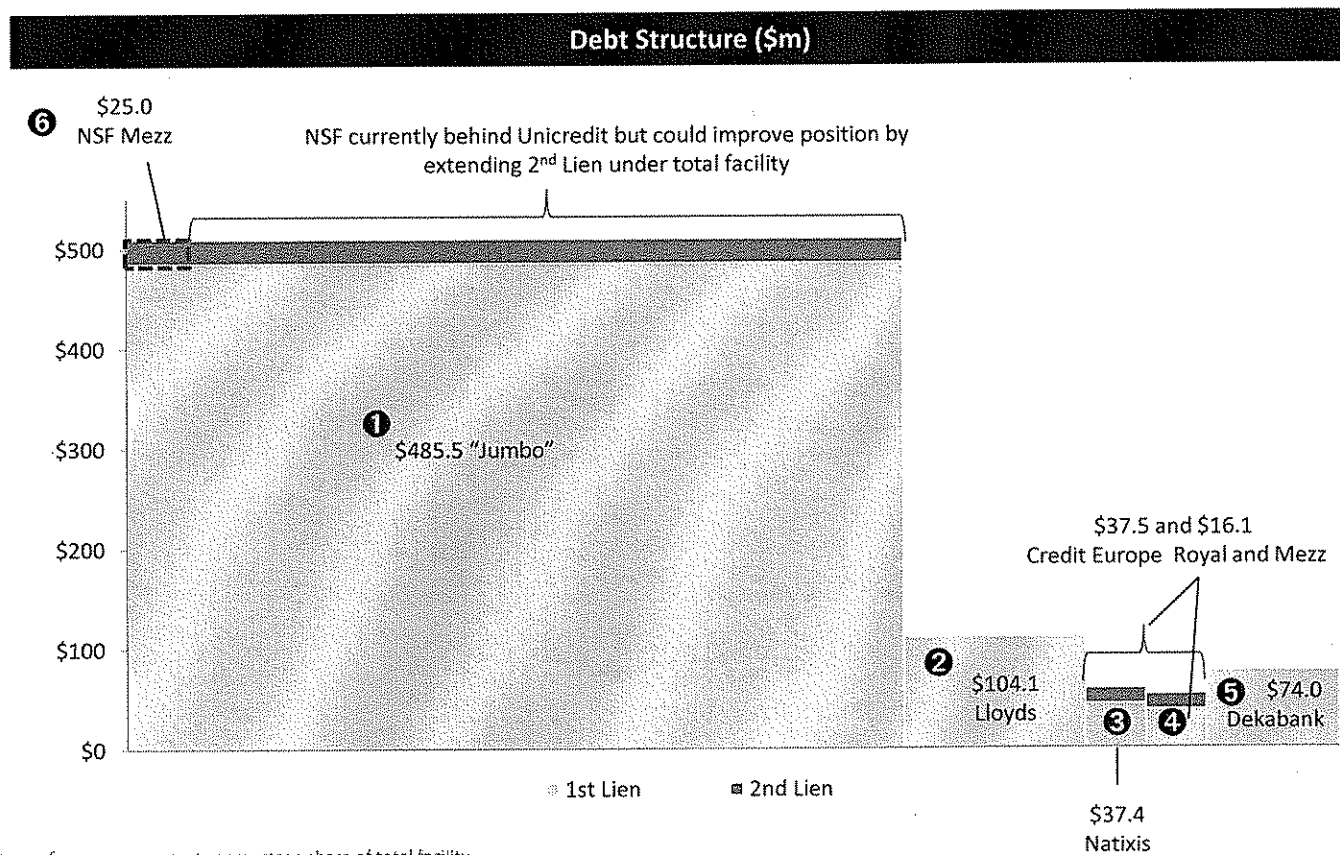
DEKABANK copy, March 6 2013

AlixPartners

Financial Analysis

Summary of Terms: Newco Alpha

► The below tables summarises the features of debt on Newco Alpha



Financial Analysis

Newco Alpha Quarterly Cashflow

	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15
OPERATING ACTIVITIES											
Income	-	36.0	35.5	36.2	37.2	37.9	37.5	44.7	44.8	42.9	42.7
OPEX	-	(16.9)	(16.7)	(16.6)	(16.9)	(16.9)	(16.7)	(16.6)	(16.9)	(16.9)	(16.7)
Drydock	-	(0.4)	(1.0)	(0.5)	-	(0.9)	(0.8)	(0.9)	(1.8)	(0.9)	-
EBITDA	-	18.7	17.8	19.1	20.3	20.0	19.9	27.2	26.1	25.1	26.0
Working capital changes	-	-	-	-	-	-	-	-	-	-	-
Net operational cashflow	-	18.7	17.8	19.1	20.3	20.0	19.9	27.2	26.1	25.1	26.0
FINANCING ACTIVITIES											
Equity injections	-	74.4	-	-	-	-	-	-	-	-	-
Bank Interest (Senior)	-	(6.9)	(6.9)	(6.8)	(6.8)	(6.6)	(6.4)	(6.2)	(6.0)	(5.9)	(5.7)
Bank Principal Repayments ⁽¹⁾	-	-	(4.5)	(4.5)	(15.5)	(18.3)	(18.3)	(19.0)	(19.3)	(19.4)	(19.4)
NSF Interest (2nd lien)	-	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Pre-Del Drawdown	-	-	-	-	-	-	-	-	-	-	-
Bareboat Drawdowns	-	-	-	-	-	-	-	-	-	-	-
Pre-Del Repayments	-	-	-	-	-	-	-	-	-	-	-
Net Financing Cashflow	-	66.7	(12.2)	(12.1)	(23.0)	(25.6)	(25.4)	(26.0)	(26.1)	(26.0)	(25.9)
INVESTMENT ACTIVITIES											
Capex	-	-	-	-	-	-	-	-	-	-	-
Asset Purchases ⁽²⁾	-	(64.4)	-	-	-	-	-	-	-	-	-
Net Investment	-	(64.4)	-	-	-	-	-	-	-	-	-
Net cashflow for period	-	21.0	5.6	7.1	(2.7)	(5.6)	(5.5)	1.2	0.0	(1.0)	0.1
Cumulative net cash balance	-	20.8	26.4	33.5	30.7	25.1	19.6	20.8	20.8	19.9	20.0
RATIOS (Beginning of Period)											
Senior Debt Balance	-	(754.5)	(754.5)	(750.0)	(745.5)	(730.0)	(711.7)	(693.4)	(674.4)	(655.1)	(635.6)
NSF 2nd lien Balance	-	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)
Leverage: (Debt/EBITDA)	0.00x	10.44x	10.96x	10.13x	9.49x	9.44x	9.26x	6.60x	6.70x	6.79x	6.36x
Hamburg Jumbo Facility LTV		95%	96%	97%	98%	97%	96%	95%	94%	93%	92%
Hamburg Jumbo Value (depreciated)	-	511.0	504.7	498.5	492.2	485.9	479.6	473.4	467.1	460.8	454.5
Vessels	29	29	29	29	29	29	29	29	29	29	29

⁽¹⁾ 9 months principal deferral on the Jumbo facility would be necessary to establish minimum liquidity requirements. Shortfall in absence of this shown above.

⁽²⁾ Asset purchases net of new financing

⁽³⁾ Equity cure for 85% covenant in Q4 14 and 80% for Q4 16

⁽⁴⁾ Value based on depreciation of current market value; depreciation based on remaining life and scrap value (DWT/6*\$400)

DEKABANK copy, March 6 2013

AlixPartners

Financial Analysis

Summary of Terms: Newco Beta

► The below tables summarises the features of debt on Newco Beta

NewCo Beta:	Terms
Senior Facilities	- CCB, CDB
Amount	- \$154.3m (no change)
Interest	- No change to existing agreements
Amortization	- No change to existing agreements
Covenants	- No change to existing agreements
Security	- No change to existing agreements
Other	- n/a

Financial Analysis

Newco Beta Quarterly Cashflow

	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15
OPERATING ACTIVITIES											
Income	-	9.3	9.2	9.4	8.8	6.4	6.4	7.2	7.4	7.4	7.3
OPEX	-	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
Drydock	-	-	-	(0.9)	(0.9)	-	-	-	-	-	-
EBITDA	-	7.1	7.0	6.4	5.8	4.2	4.2	5.0	5.2	5.2	5.1
Working capital changes	-	-	-	-	-	-	-	-	-	-	-
Net operational cashflow	-	7.1	7.0	6.4	5.8	4.2	4.2	5.0	5.2	5.2	5.1
FINANCING ACTIVITIES											
Equity injections	-	-	-	-	-	-	-	-	-	-	-
Bank Interest	-	(1.3)	(1.3)	(1.2)	(1.2)	(1.1)	(1.1)	(1.0)	(1.0)	(1.0)	(0.9)
Bank Principal Repayments	-	(6.1)	(6.1)	(6.1)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(3.4)	(3.4)
Bareboat Payments	-	-	-	-	-	-	-	-	-	-	-
Pre-Del Drawdown	-	-	-	-	-	-	-	-	-	-	-
Bareboat Drawdowns	-	-	-	-	-	-	-	-	-	-	-
Pre-Del Repayments	-	-	-	-	-	-	-	-	-	-	-
Net Financing Cashflow	-	(7.4)	(7.4)	(7.3)	(7.6)	(7.6)	(7.5)	(7.4)	(7.4)	(4.4)	(4.4)
INVESTMENT ACTIVITIES											
Capex	-	-	-	-	-	-	-	-	-	-	-
Asset Purchases	-	-	-	-	-	-	-	-	-	-	-
Net Investment	-	-	-	-	-	-	-	-	-	-	-
Net cashflow for period	-	(0.4)	(0.4)	(0.9)	(1.8)	(3.3)	(3.3)	(2.4)	(2.3)	0.8	0.7
Cumulative net cash balance	-	(0.4)	(0.8)	(1.7)	(3.5)	(6.8)	(10.2)	(12.6)	(14.8)	(14.1)	(13.3)
RATIOS (Beginning of Period)											
Debt Balance	-	(161.3)	(155.2)	(149.0)	(142.9)	(136.5)	(130.0)	(123.6)	(117.2)	(110.8)	(107.3)
Bareboat balance	-	-	-	-	-	-	-	-	-	-	-
Leverage: (Debt/EBITDA)	0.00x	5.69x	5.54x	5.82x	6.20x	8.06x	7.77x	6.13x	5.69x	5.37x	5.27x
Loan to value	0%	118%	115%	111%	108%	104%	100%	96%	92%	88%	86%
Value (depreciated)	138.0	136.7	135.4	134.1	132.8	131.4	130.1	128.8	127.5	126.2	124.9
Vessels	4	4	4	4	4	4	4	4	4	4	4

⁽¹⁾ Value based on depreciation of current market value; depreciation based on remaining life and scrap value (DWT/6*\$400)

Financial Analysis

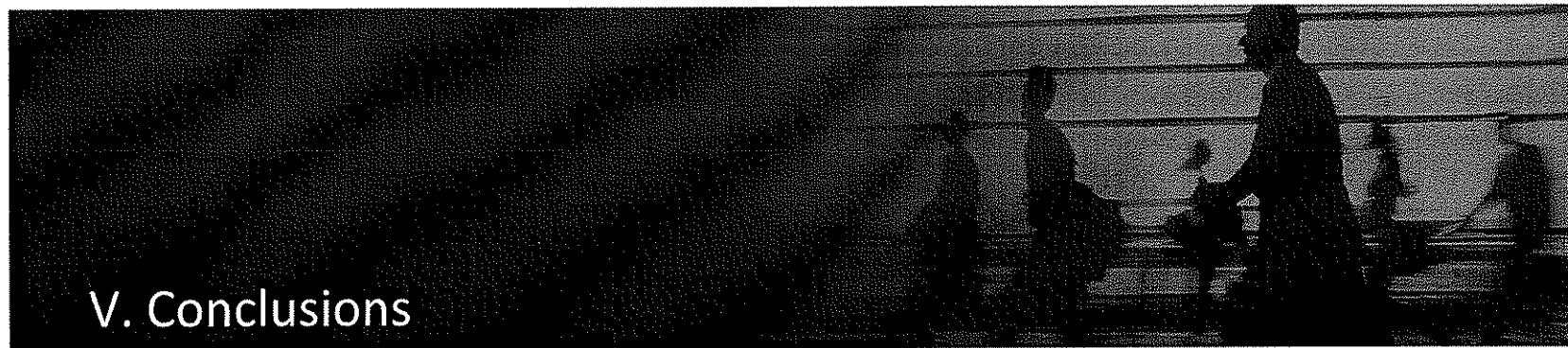
Geden Oldco Quarterly Cashflow

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15
OPERATING ACTIVITIES												
Income	64.9	59.0	24.3	24.3	25.5	26.3	25.9	25.6	31.6	32.3	29.0	28.8
OPEX	(29.8)	(28.9)	(12.5)	(12.4)	(12.3)	(12.5)	(12.5)	(12.4)	(12.3)	(12.5)	(11.4)	(11.0)
Drydock	(0.4)	(0.8)	-	-	(0.5)	-	-	-	-	(0.7)	(1.3)	-
EBITDA	34.7	29.3	11.8	11.9	12.7	13.7	13.3	13.2	19.3	19.1	16.3	17.7
Working capital changes ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-
Net operational cashflow	34.7	29.3	11.8	11.9	12.7	13.7	13.3	13.2	19.3	19.1	16.3	17.7
FINANCING ACTIVITIES												
Equity injections	-	-	-	-	-	-	-	-	-	-	-	-
Bank Interest	(10.6)	(9.8)	-	-	-	-	-	-	-	-	-	-
Bank Principal Repayments	(23.8)	(29.9)	(39.5)	-	-	-	-	-	-	-	-	-
Bareboat Payments	(17.8)	(19.8)	(20.8)	(20.8)	(20.4)	(20.6)	(20.7)	(20.7)	(20.3)	(20.5)	(18.6)	(18.6)
Pre-Del Drawdown	45.0	8.5	-	-	-	-	-	-	-	-	-	-
Bareboat Drawdowns	119.3	25.3	25.3	-	-	-	-	-	-	-	-	-
Pre-Del Repayments	(57.9)	(12.2)	(13.2)	-	-	-	-	-	-	-	-	-
Net Financing Cashflow	54.0	(38.0)	(48.2)	(20.8)	(20.4)	(20.6)	(20.7)	(20.7)	(20.3)	(20.5)	(18.6)	(18.6)
INVESTMENT ACTIVITIES												
Capex	(82.7)	(42.3)	-	-	-	-	-	-	-	-	⁽²⁾	-
Asset Sale net proceeds	-	5.5	44.6	-	-	-	-	-	-	-	(23.9)	-
Net Investment	(82.7)	(36.8)	44.6	-	-	-	-	-	-	-	(23.9)	-
Net cashflow for period	6.0	(45.5)	8.2	(8.9)	(7.7)	(6.9)	(7.4)	(7.6)	(0.9)	(1.4)	(26.2)	(0.8)
Cumulative net cash balance	41.0	(4.5)	3.7	(5.3)	(12.9)	(19.8)	(27.2)	(34.8)	(35.7)	(37.1)	(63.4)	(64.2)
RATIOS (Beginning of Period)												
Debt Balance	(1,109.5)	(1,064.2)	-	-	-	-	-	-	-	-	-	-
Bareboat balance	(471.3)	(453.4)	(433.7)	(412.8)	(392.0)	(371.7)	(351.1)	(330.3)	(309.6)	(289.3)	(268.8)	(250.3)
Vessels	56	55	22	22	22	22	22	22	22	22	20	20

⁽¹⁾ Working Capital change reflects paydown of corporate facility with cash from sale transaction; \$10m outstanding to Rongsheng is left unpaid

⁽²⁾ Purchase obligations on sale leasebacks assumed to generate cash loss equivalent to deficiency between current outstanding obligation and market value

DEKABANK copy, March 2013



DEKABANK copy, March 6 2013

AlixPartners

Current Proposal

Strategy and Objectives

- The solution provides, directly or indirectly, for the primary objectives held by the different stakeholders.

Objective	Comments
1. Compensate stakeholders adequately for their risk-weighted capital exposure and concessions	<ul style="list-style-type: none"> Assets with similar risk profile pooled together provides for better aligned incentives Lenders provided with adequate equity cushion, margins, and covenants Provides for recategorization of exposure from "Geden Holdings Ltd" to Newco where equity is "in-the-money" and shareholders are better incentivized to provide ongoing support
2. Constrain formal or informal cross subsidization between stakeholders related to different underlying assets	<ul style="list-style-type: none"> While it reduces the portfolio effect of a broader fleet, combining similar assets together limits risk of cross subsidies going from high to low collateral vessels Pooling through creation of unique syndicate facility would facilitate granting of a second priority mortgage through the fleet as well as increase liquidity of bank assets, enabling lenders to sell out of assets without disrupting operations
3. Ring-fence potential sources of disruption, holdout, or nuisance (such as arrests or sister-ship arrests)	<ul style="list-style-type: none"> Common set of incentives and exposure to recovery protects lenders from disruptive behaviour onset by other stakeholders with a markedly different position Sister-ship arrest risk minimized given shareholding structure in Newco
4. Maximize options for stakeholders and potential for self-selection	<ul style="list-style-type: none"> Rebasing of assets can provide mechanism for transfer from one Newco profile to another (ie. Group C and D into A) Opting out of the scheme can be achieved via mutually agreed terms for redelivery of vessel to relevant lender



Contents

- A. Facility Description
- B. Financials: Existing
- C. Market Overview

CONFIDENTIAL

Appendix

Facility Description

Facility	HSH1	HSH2	Natixis1	Natixis2	Icon1	Icon2	Octavian1	Octavian2
Debt / Bareboat	Debt	Debt	Debt	Debt	Bareboat	Bareboat	Bareboat	Bareboat
Vessels	Hero	Citron / Citrus	Scope	Namrun	Center	Fantasic / Amazing	Enjoy	Marka
Lender group	HSH	HSH	Natixis	Natixis	Icon [DVB]	Icon [DVB NLB]	Octavian [DVB]	Octavian [NLB]

Appendix: Transaction Analysis

Newco Beta Sources and Uses

Sources		Uses	
Existing debt rollover	154.3	Purchase at outstanding debt level	154.3
Total Sources	\$154.3	Total Uses	\$154.3

Additional liquidity to maintain operational cash balance not shown; Estimated at \$20m and could be financed via equity of deferrals

DEKABANK copy, March 6 2013

Appendix: Transaction Analysis

Residual Oldco Sources and Uses

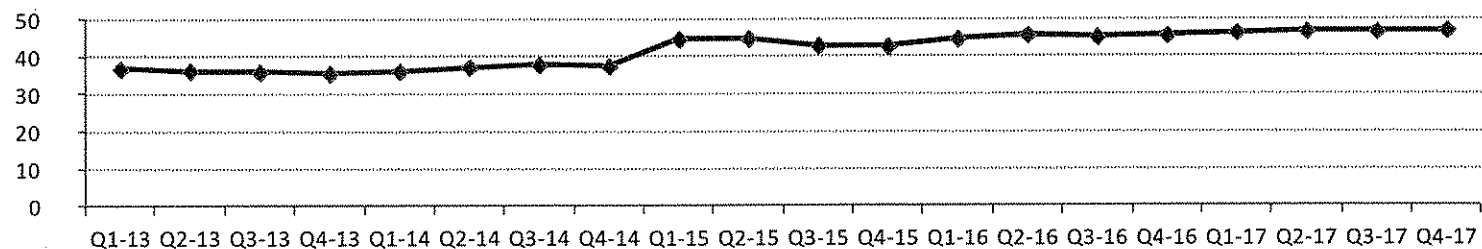
Sources		Uses	
Alpha Sale Receipts	828.6	Alpha Vessels Debt Repayment	780.0
Beta Sale Receipts	154.3	Beta Vessels Debt Repayment	154.3
Baytur Sale Receipts	13.6	Baytur Debt Repayment	8.4
Group C Sale Receipts	258.8	Group C Repayment	258.8
		Change in Working Capital (Repayment of A/P) & corp. facility	53.8
Total Sources	\$1,255.3	Total Uses	\$1,255.3

CONFIDENTIAL

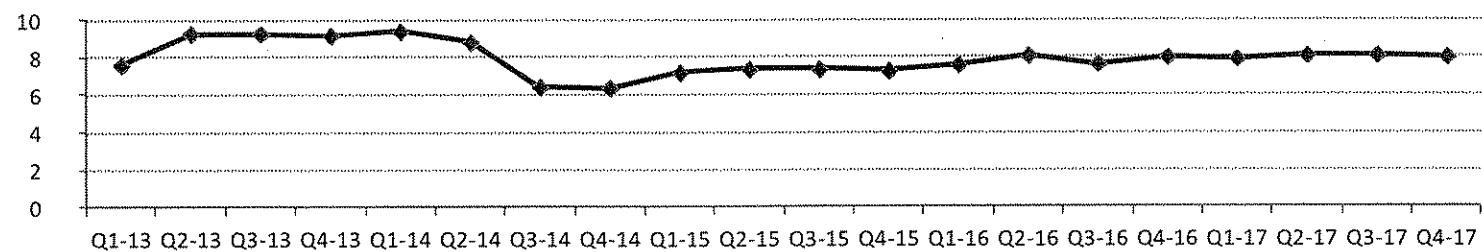
Assumptions

Revenue

Newco Alpha Revenue by quarter (\$m)



Newco Beta Revenue by quarter (\$m)

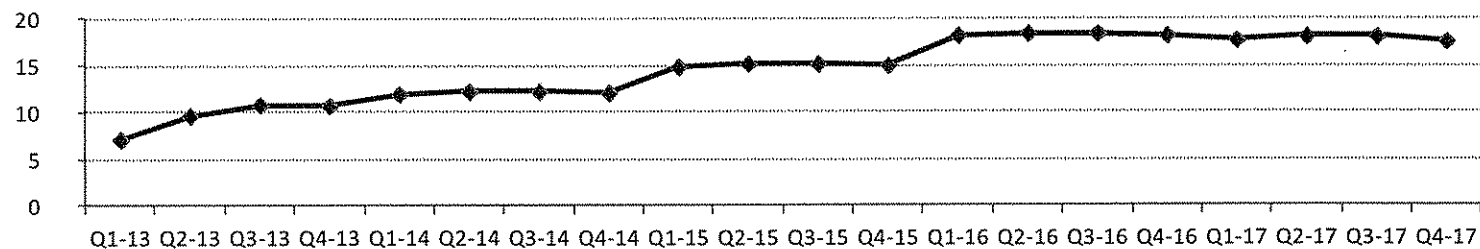


DEKABANK copy

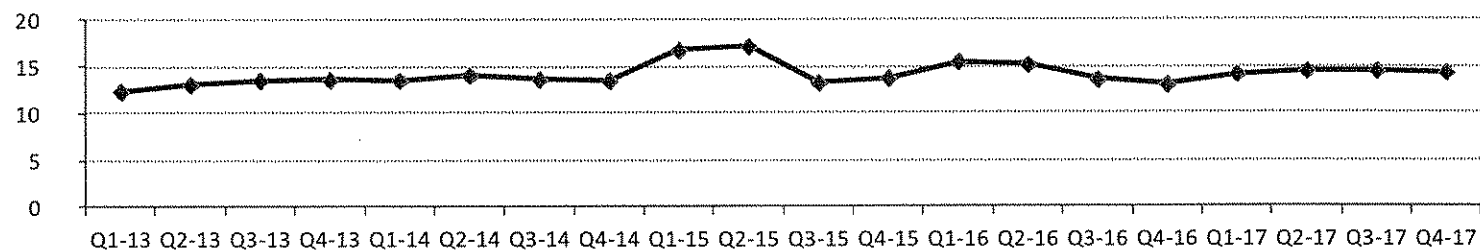
Assumptions

Revenue

Group C Revenue by quarter (\$m)



Group D Revenue by quarter (\$m)



Appendix: Additional Financial Analysis

Newco Alpha Five Year Cashflow

	2013	2014	2015	2016	2017
OPERATING ACTIVITIES					
Income	71.5	148.8	175.2	181.3	186.7
OPEX	(33.7)	(67.2)	(67.2)	(67.3)	(67.2)
Drydock	(1.4)	(2.3)	(3.6)	(6.3)	(2.3)
EBITDA	36.5	79.3	104.4	107.7	117.2
Working capital changes	-	-	-	-	-
Net operational cashflow	36.5	79.3	104.4	107.7	117.2
FINANCING ACTIVITIES					
Equity injections	74.4	-	-	-	-
Bank Interest (Senior)	(13.8)	(26.7)	(23.8)	(20.8)	(17.6)
Bank Principal					
Repayments	(4.7)	(56.6)	(77.2)	(79.1)	(78.2)
NSF Interest (2nd lien)	(1.5)	(2.9)	(2.9)	(2.9)	(2.9)
Pre-Del Drawdown	-	-	-	-	-
Bareboat Drawdowns	-	-	-	-	-
Pre-Del Repayments	-	-	-	-	-
Net Financing Cashflow	54.4	(86.2)	(104.0)	(102.7)	(98.8)
INVESTMENT ACTIVITIES					
Capex	-	-	-	-	-
Asset Purchases	(64.4)	-	-	-	-
Net Investment	(64.4)	-	-	-	-
Net cashflow for period	26.4	(6.8)	0.4	4.9	18.4
Cumulative net cash balance	26.4	19.6	20.0	24.9	43.3
RATIOS (Beg. of Period)					
Senior Debt Balance	(754.5)	(749.8)	(693.2)	(616.0)	(536.9)
NSF 2nd lien Balance	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)
Leverage: (Debt/EBITDA)	21.40x	9.77x	6.88x	5.96x	4.80x
Hamburg Jumbo Facility LTV	95%	97%	95%	91%	86%
Value (depreciated)	511.0	498.5	473.4	448.3	423.2
Vessels	29	29	29	29	29

Appendix: Additional Financial Analysis

Newco Beta Five Year Cashflow

	2013	2014	2015	2016	2017
OPERATING ACTIVITIES					
Income	18.5	31.0	29.2	31.3	32.1
OPEX	(4.4)	(8.8)	(8.8)	(8.8)	(8.8)
Drydock	-	(1.7)	-	(1.3)	-
EBITDA	14.1	20.6	20.4	21.3	23.4
Working capital changes	-	-	-	-	-
Net operational cashflow	14.1	20.6	20.4	21.3	23.4
FINANCING ACTIVITIES					
Equity injections	-	-	-	-	-
Bank Interest	(2.6)	(4.6)	(3.9)	(3.3)	(2.7)
Bank Principal	-	-	-	-	-
Repayments	(12.3)	(25.4)	(19.7)	(20.2)	(20.2)
Bareboat Payments	-	-	-	-	-
Pre-Del Drawdown	-	-	-	-	-
Bareboat Drawdowns	-	-	-	-	-
Pre-Del Repayments	-	-	-	-	-
Net Financing Cashflow	(14.8)	(30.0)	(23.6)	(23.5)	(22.8)
INVESTMENT ACTIVITIES					
Capex	-	-	-	-	-
Asset Purchases	-	-	-	-	-
Net Investment	-	-	-	-	-
Net cashflow for period	(0.8)	(9.4)	(3.2)	(2.2)	0.5
Cumulative net cash balance	(0.8)	(10.2)	(13.3)	(15.6)	(15.0)
RATIOS (Beg. of Period)					
Debt Balance	(161.3)	(149.0)	(123.6)	(103.9)	(83.8)
Bareboat balance	-	-	-	-	-
Leverage: (Debt/EBITDA)	11.45x	7.24x	6.05x	4.89x	3.59x
Loan to value	117%	112%	97%	85%	72%
Value (depreciated)	138.0	132.8	127.5	122.3	117.0
Vessels	4	4	4	4	4

DEKABANK 48 March 6 2013

AlixPartners

Appendix: Additional Financial Analysis

Residual Oldco Five Year Cashflow

	2013	2014	2015	2016	2017
OPERATING ACTIVITIES					
Income	172.5	103.2	121.6	121.3	105.5
OPEX	(83.7)	(49.7)	(47.2)	(39.6)	(33.6)
Drydock	(1.2)	(0.5)	(2.0)	(1.9)	(2.3)
EBITDA	87.7	52.9	72.4	79.7	69.6
Working capital changes	-	-	-	-	-
Net operational cashflow	87.7	52.9	72.4	79.7	69.6
FINANCING ACTIVITIES					
Equity injections	-	-	-	-	-
Bank Interest	(20.5)	-	-	-	-
Bank Principal Repayments	(93.2)	-	-	-	-
Bareboat Payments	(79.2)	(82.4)	(77.9)	(64.0)	(49.6)
Pre-Del Drawdown	53.4	-	-	-	-
Bareboat Drawdowns	169.8	-	-	-	-
Pre-Del Repayments	(83.3)	-	-	-	-
Net Financing Cashflow	(53.0)	(82.4)	(77.9)	(64.0)	(49.6)
INVESTMENT ACTIVITIES					
Capex	(125.0)	-	-	-	-
Asset Sale net proceeds	50.1	-	(23.9)	(37.2)	(24.1)
Net Investment	(75.0)	-	(23.9)	(37.2)	(24.1)
Net cashflow for period	(40.3)	(29.5)	(29.4)	(21.5)	(4.2)
Cumulative net cash balance	(5.3)	(34.8)	(64.2)	(85.7)	(89.9)
RATIOS (Beg. of Period)					
Debt Balance	(1,109.5)	-	-	-	-
Bareboat balance	(471.3)	(392.0)	(309.6)	(231.7)	(167.7)
Vessels	56	22	20	17	14

Appendix

Bank Exposure: Hamburg reduced to 90% LTV

- Equity required if LTV improved to 90% is \$90.0m (\$25.6m more than at an LTV of 95%)

	Estimated Value	Current debt	LTV Before	New Debt	LTV After	Change in debt	Change in LTV
Unicredit	99.0	94.9	96%	89.1	90%	(5.8)	-6%
NLB	170.1	168.8	99%	153.1	90%	(15.7)	-9%
DVB	106.3	103.4	97%	95.6	90%	(7.8)	-7%
Commerzbank	14.8	14.6	99%	13.3	90%	(1.3)	-9%
BrLB	13.1	13.0	99%	11.8	90%	(1.1)	-9%
Santander	23.8	22.5	95%	21.2	89%	(1.4)	-6%
HSH	92.0	94.6	103%	82.8	90%	(11.8)	-13%
GB Global	219.0	220.3	101%	220.3	101%	0.0	0%
CDB	72.0	88.1	122%	88.1	122%	0.0	0%
CCB	66.0	66.2	100%	66.2	100%	0.0	0%
Credit Europe	50.0	53.6	107%	53.6	107%	0.0	0%
Lloyds	137.0	104.1	76%	104.1	76%	0.0	0%
NSF	46.0	64.0	139%	64.0	139%	0.0	0%
Natixis	35.0	30.4	87%	30.4	87%	0.0	0%
Octavian	62.0	83.2	134%	83.2	134%	0.0	0%
Deka	54.0	74.0	137%	74.0	137%	0.0	0%
Icon	85.0	127.6	150%	127.6	150%	0.0	0%
Stealth	62.0	109.5	177%	109.5	177%	0.0	0%
FSL	52.0	121.6	234%	121.6	234%	0.0	0%
TOTAL	1,459.0	1,654.3	113%	1,609.4	110%	(44.8)	-3%

DRAFT & PRELIMINARY

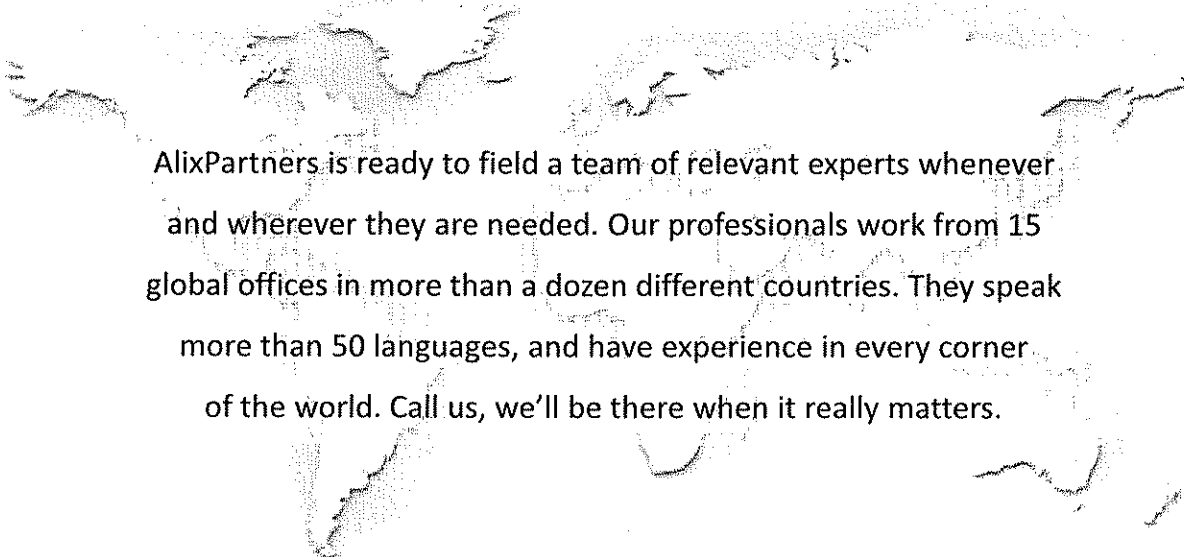
Appendix

Potential loss on bareboat purchase obligations

- There exist a number of obligations to purchase at future dates under the following bareboat agreements. The cashflows reflect the following losses occurring via purchase and resale at the obligation date. It assumes no changes to market values but applies depreciation to current estimated values over the time until the purchase and resale date. If the vessels were retained rather than crystallize the loss, then there would be a greater cash outflow for refinancing plus further ongoing loss on vessels were these occur.

	Purchase obligation (\$m)	Estimated value today (\$m)	Loss on resale	Depreciated value (\$m)	Loss on resale	Purchase Ob. Date	Years	Monthly depreciation
Avor	51.5	31	-20.5	27.6	-23.9	Aug-15	2.6	0.11
Enjoy	38.5	30	-8.5	25.5	-13.0	Apr-16	3.2	0.11
Centre	64.5	47	-17.5	40.2	-24.3	Jun-16	3.4	0.17
Marka	37	32	-5	26.0	-11.0	Apr-17	4.2	0.12
Fantastic	21.5	19	-2.5	14.9	-6.6	Oct-17	4.8	0.07
Amazing	21.5	19	-2.5	14.9	-6.6	Oct-17	4.8	0.07
TOTAL	234.5	178	-56.5	149.2	-85.3			

Global Locations



AlixPartners is ready to field a team of relevant experts whenever and wherever they are needed. Our professionals work from 15 global offices in more than a dozen different countries. They speak more than 50 languages, and have experience in every corner of the world. Call us, we'll be there when it really matters.

Chicago 300 N. LaSalle Street Suite 1900 Chicago, IL 60654 312.346.2500	Dallas 2101 Cedar Springs Road Suite 1100 Dallas, TX 75201 214.647.7500	Detroit 2000 Town Center Suite 2400 Southfield, MI 48075 248.358.4420	Dubai Gate Village 10, Level 03 P.O. Box 125115 Dubai Intl Financial Centre Dubai, United Arab Emirates +971.4.401.9246	Düsseldorf Königsallee 59 a 40215 Düsseldorf Germany +49.211.97.55.10.00	London 20 North Audley Street London W1K 6WE United Kingdom +44.20.7098.7400	Los Angeles 515 S. Flower Street Suite 3050 Los Angeles, CA 90071 213.437.7100	Milan Corso Matteotti 9 20121 Milan Italy +39.02.360.12000
Munich Mauerkircherstr. 1 a 81679 München Germany +49.89.20.30.40.00	New York 40 West 57 th Street New York, NY 10019 212.490.2500	Paris 49/51 Avenue George V 75008 Paris France +33.1.76.74.72.00	San Francisco 4 Embarcadero Center 31 st Floor, Suite 3110 San Francisco, CA 94111 415.848.0283	Shanghai Suite 6111 Plaza 66 Building I 1266 Nan Jing West Road Shanghai, 200040 China +8621.6171.7555	Tokyo Marunouchi Building 33F 2-4-1 Marunouchi Chiyoda-ku Tokyo 100-6333 Japan +81.3.5533.4800	Washington, DC 1602 L Street, NW Suite 300 Washington, DC 20036 202.756.9000	

EXHIBIT 10

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION**

PSARA ENERGY, LTD.

Plaintiff

**SPACE SHIPPING, LTD.; GEDEN HOLDINGS:
LTD.; ADVANTAGE ARROW SHIPPING,
LLC; GENEL DENIZCILIK NAKLIYATI A.S.
A/K/A GEDEN LINES; ADVANTAGE
TANKERS, LLC; ADVANTAGE HOLDINGS,
LLC; FORWARD HOLDINGS, LLC;
MEHMET EMIN KARAMEHMET;
GULSUN NAZLI KARAMEHMET -
WILLIAMS; and TUĞRUL TOKGÖZ**

Defendants

ADMIRALTY

ATTORNEY DECLARATION

Pursuant to 28 U.S.C. § 1746, this declaration is executed by George A. Gaitas, counsel for Plaintiff, PSARA ENREGY, LTD., in order to secure the issuance of a Summons and Process of Maritime Attachment and Garnishment in the above-captioned Admiralty Cause. I, George A. Gaitas, declare under the penalty of perjury:

I am a Member of the firm of GAITAS, KENNEDY & CHALOS, P.C., attorneys for Plaintiff in the above referenced matter.

I am familiar with the circumstances of the Original Verified Complaint, and I submit this declaration in support of Plaintiff's request for the issuance of Process of Maritime Attachment and Garnishment of the property of the Defendants, SPACE SHIPPING LTD.; GEDEN HOLDINGS, LTD.; ADVANTAGE ARROW SHIPPING, LLC; GENEL DENIZCILIK NAKLIYATI A.S. A/K/A GEDEN LINES; ADVANTAGE TANKERS, LLC; ADVANTAGE HOLDINGS, LLC; FORWARD HOLDINGS, LLC; MEHMET EMIN KARAMEHMET;

GULSUN NAZLI KARAMEHMET WILLIAMS; TUGRUL TOKGOZ, pursuant to Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure.

I have personally inquired or have directed inquiries into the presence of the Defendants in this District.

I have directed attorneys in my firm to check with the office of the Texas Secretary of State, using the Secretary of State's database, to determine whether the Defendants can be located within this District. SPACE SHIPPING LTD.; ADVANTAGE ARROW SHIPPING, LLC; GENEL DENIZCILIK NAKLIYATI A.S. A/K/A GEDEN LINES; ADVANTAGE TANKERS, LLC; ADVANTAGE HOLDINGS, LLC; FORWARD HOLDINGS, LLC; MEHMET EMIN KARAMEHMET; GULSUN NAZLI KARAMEHMET WILLIAMS; TUGRUL TOKGOZ is not registered with the Texas Secretary of State. Accordingly, I have determined that, as of April 20, 2018, none of these Defendants are incorporated or registered as foreign corporations pursuant to the laws of Texas, and have neither nominated nor appointed any agent for the service of process within this District.

GEDEN HOLDINGS, LTD. is registered with the Texas Secretary of State¹, but cannot be found within this District. GEDEN HOLDINGS, LTD. is not subject to the jurisdiction of the Eastern District of Texas nor amenable to service of process within the Eastern District of Texas.

I have directed attorneys in my firm to engage a search of the Superpages telephone directory on the internet, and determined that there are no telephone listings or addresses for the Defendants within this District.

¹ GEDEN HOLDINGS, LTD. has appointed an agent for service of process located in the Northern District of Texas.

I have directed attorneys in my firm to engage in a Google search as to whether the Defendants can be located within this District. The Google search results did not provide a listing for the named Defendants.

I am unaware of any general or managing agent(s) of the named Defendants within this District.

In that I have been able to determine that the Defendants have not appointed an agent for service of process within the Eastern District of Texas and that I have found no indication that the Defendant can be found within this District for the purposes of Rule B, I have formed a good faith belief based on the investigation of the attorneys under my direction that the Defendant does not have sufficient contacts or business activities within this District and does not have any offices or agents within this District to defeat maritime attachment under Rule B of the Supplemental Rules for Admiralty and Maritime Claims as set forth in the Federal Rules of Civil Procedure.

It is my belief, based upon an investigation performed by attorneys in my firm under my direction that the Defendant cannot be found within this District for the purposes of Rule B of the Supplemental Rules of Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure.

Dated: April 20, 2018
Houston, Texas

Respectfully submitted,

Gaitas, Kennedy & Chalos, P.C.

By: /s/ George A. Gaitas
George A. Gaitas
State Bar No. 24058885
Federal Bar No. 705176
6250 Westpark Dr.
Suite 222
Houston, Texas 77057
Telephone: 281-501-1800
Fax: 832-962-8178

E-mail: gaitas@gkclaw.com

Attorneys for Plaintiff

PSARA ENERGY, LTD.

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION**

PSARA ENERGY, LTD.

Plaintiff

**SPACE SHIPPING, LTD.; GEDEN HOLDINGS:
LTD.; ADVANTAGE ARROW SHIPPING,
LLC; GENEL DENIZCILIK NAKLIYATI A.S.
A/K/A GEDEN LINES; ADVANTAGE
TANKERS, LLC; ADVANTAGE HOLDINGS,
LLC; FORWARD HOLDINGS, LLC;
MEHMET EMIN KARAMEHMET;
GULSUN NAZLI KARAMEHMET-
WILLIAMS; and TUĞRUL TOKGÖZ**

Defendants

ADMIRALTY

VERIFICATION OF COMPLAINT

Pursuant to 28 U.S.C. §1746, Despoina Bacha, declares under the penalty of perjury:

1. I am an individual of sound mind, and have never been convicted of a crime of moral turpitude.
2. I am a citizen of Greece and a resident of Athens and a lawful representative of the Plaintiff in the above action and duly authorized on its behalf to make this verification.
3. I have read the foregoing Verified Complaint and exhibits thereto in the above captioned action and know the contents thereof; and

I declare under the penalty of perjury under the laws of the United States that the foregoing is true and correct.

Signed in Athens, Greece this 20th day of April, 2018.



Despoina Bacha

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) _____

DEFENDANTS

Space Shipping, Ltd.; Geden Holdings, Ltd.; Advantage Arrow Shipping, LLC; Genel Denizcilik Nakliyatı A.S. a/k/a Geden Lines; Advantage Tankers, LLC; Advantage Holdings, LLC; Forward Holdings, LLC; Mehmet Emin Karamahmet; Gulsun Nazli Karamahmet Williams; Tugrul Tokgoz

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known) _____

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question
(U.S. Government Not a Party)
- ☐ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|-----------------------------------------|----------------------------|----------------------------|---------------------------------------------------------------|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☐ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____ DOCKET NUMBER _____

DATE _____ SIGNATURE OF ATTORNEY OF RECORD _____

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
- United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the six boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF LOUISIANA**

PSARA ENERGY, LTD.

Plaintiff

**SPACE SHIPPING, LTD.; GEDEN HOLDINGS: :
LTD.; ADVANTAGE START SHIPPING, :
LLC; GENEL DENIZCILIK NAKLIYATI A.S. :
A/K/A GEDEN LINES; ADVANTAGE :
TANKERS, LLC; ADVANTAGE HOLDINGS, :
LLC; FORWARD HOLDINGS, LLC; :
MEHMET EMIN KARAMEHMET; :
GULSUN NAZLI KARAMEHMET - :
WILLIAMS; and TUĞRUL TOKGÖZ :**

No. 2:18-cv-4111

ADMIRALTY

Defendants

PLAINTIFF'S ORIGINAL VERIFIED COMPLAINT

Plaintiff PSARA ENERGY, LTD., by and through undersigned counsel, for its Verified Complaint against Defendants: SPACE SHIPPING LTD.; GEDEN HOLDINGS, LTD.; ADVANTAGE START SHIPPING, LLC; GENEL DENIZCILIK NAKLIYATI A.S. A/K/A GEDEN LINES; ADVANTAGE TANKERS, LLC; ADVANTAGE HOLDINGS, LLC; FORWARD HOLDINGS, LLC; MEHMET EMIN KARAMEHMET; GULSUN NAZLI KARAMEHMET - WILLIAMS; and TUĞRUL TOKGÖZ alleges and pleads as follows:

I. JURISDICTION, VENUE, AND PARTIES

1. This is an admiralty and maritime claim within the meaning of rule 9(h) of the Federal Rules of Civil Procedure in that it involves claims for the breach of a maritime contract, *i.e.* an executed bareboat charter party for the employment of a seagoing cargo vessel. This case also falls under this court's admiralty and maritime jurisdiction pursuant to 28 U.S.C. § 1333, and is brought under the provisions of Rule B of the Supplemental Rules for Certain Admiralty or

Maritime Claims, and Asset Forfeiture Actions (hereinafter “Supplemental Rule B”) and the Federal Arbitration Act, 9 U.S.C. §§ 4, 8 in aid of maritime arbitration.

2. At all times material hereto Plaintiff, PSARA ENERGY, LTD. (hereinafter “PSARA” or “Plaintiff”), was a corporation organized under the laws of the Republic of the Marshall Islands and the registered owner of the Motor Tanker CV STEALTH (hereinafter “CV STEALTH” or “Vessel”), a crude oil tanker vessel registered in Malta.

3. At all times material hereto Defendant, SPACE SHIPPING, LTD. (hereinafter “SPACE”), was and is a foreign company organized under the laws of Malta and the bareboat charterer of the M/T CV STEALTH under a bareboat charter party contract dated February 23, 2010 (“the bareboat charter”). A copy of the bareboat charter and addenda thereto are attached to this Original Verified Complaint as **EXHIBIT 1**. Though SPACE is incorporated in Malta, the business of SPACE is actually carried on entirely by Defendant GENEL DENIZCILIK NAKLIYATI A.S. a/k/a GEDEN LINES from the office facilities of GEDEN LINES at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

4. At all times material hereto GEDEN HOLDINGS, LTD. (hereinafter “GEDEN HOLDINGS”), was and is a foreign company organized under the laws of Malta with its operating office at the office facilities of GEDEN LINES at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey. Though GEDEN HOLDINGS is incorporated in Malta, its business is actually carried on entirely by GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

5. At all times material hereto Defendant, ADVANTAGE START SHIPPING, LLC (hereinafter “ADVANTAGE START SHIPPING”), was and is a limited liability company organized under the laws of the Republic of the Marshall Islands, and the registered owner of the

Motor Tanker ADVANTAGE START, a tanker vessel registered in the Marshall Islands, with IMO No. 9466570 and international call sign V7KY9. Though ADVANTAGE START SHIPPING is incorporated in the Marshall Islands, its business is actually carried on entirely by Defendant GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

6. At all times material hereto Defendant GENEL DENIZCILIK NAKLIYATI A.S. a/k/a GEDEN LINES (hereinafter “GEDEN LINES”), was and is a foreign corporate entity organized under the laws of Turkey with its principal place of business located at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Tukey.

7. At all times material hereto ADVANTAGE TANKERS, LLC (hereinafter “ADVANTAGE TANKERS”), was a foreign limited liability company organized under the laws of the Marshall Islands. ADVANTAGE TANKERS, LLC is a holding company that owns 100% of Defendant ADVANTAGE START SHIPPING. Though ADVANTAGE TANKERS is incorporated in the Marshall Islands, its business is actually carried on entirely by Defendant GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

8. At all times material hereto ADVANTAGE HOLDINGS, LLC (hereinafter “ADVANTAGE HOLDINGS”), was a foreign limited liability company organized under the Laws of the Marshall Islands. ADVANTAGE HOLDINGS, LLC is a holding company that owns 100% of Defendant ADVANTAGE TANKERS. Though ADVANTAGE HOLDINGS is incorporated in the Marshall Islands, its business is carried on entirely by Defendant GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

9. At all times material hereto FORWARD HOLDINGS, LLC (hereinafter “FORWARD HOLDINGS”), was a foreign limited liability company organized under the laws of the Marshall Islands. FORWARD HOLDINGS, LLC is a holding company that owns 100% of Defendant ADVANTAGE HOLDINGS. Though FORWARD HOLDINGS is incorporated in the Marshall Islands, its business is actually carried on entirely by Defendant GEDEN LINES from its office facilities at Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Turkey.

10. At all times material hereto, MEHMET EMIN KARAMEHMET (hereinafter “EMIN KARAMEHMET”) is an individual person and a citizen and resident of the Republic of Turkey and, respectively, through a Panamanian corporation that he entirely controls - Buselten Finance, S.A - is the 100% shareholder of GEDEN HOLDINGS and SPACE SHIPPING. Through another Turkish business entity he controls - Cukurova Holdings - he is 100% shareholder of Defendant GEDEN LINES.

11. At all times material hereto Tuğrul Tokgöz (hereinafter “TOKGÖZ”), is an individual person and a citizen of the Republic of Turkey and a resident of Turkey. TOKGÖZ is the Chief Executive Officer of ADVANTAGE START SHIPPING; ADVANTAGE TANKERS; and a director of GEDEN HOLDINGS and GEDEN LINES and, through the intermediary holding companies FORWARD HOLDINGS and ADVANTAGE HOLDINGS, is 15% controlling shareholder of ADVANTAGE TANKERS.

12. At all times material hereto, GULSUN NAZLI KARAMEHMET-WILLIAMS (hereinafter “KARAMEHMET WILLIAMS”) is an individual person and a dual citizen of the Republic of Turkey and the Swiss Confederation, and a resident of the United Kingdom. KARAMEHMET WILLIAMS is the adult daughter and only child of EMIN KARAMEHMET,

and through the intermediary holding companies FORWARD HOLDINGS, ADVANTAGE HOLDINGS, she is the 85% controlling shareholder of ADVANTAGE TANKERS.

13. The jurisdiction of this Honorable Court is founded on the presence within the District of property of the Defendants, to wit: the M/T ADVANTAGE START that may be attached by process of maritime attachment and garnishment under the provisions of Rule B of the Supplemental Rules as pled more fully in Section V of this Verified Complaint.

II. THE SUBSTANTIVE CLAIMS

14. Under the bareboat charter party dated February 23, 2010 and addenda thereto dated: June 2, 2010; June 21, 2010; and January 29, 2010, Plaintiff chartered its vessel CV STEALTH for a “a term of 5 years straight period +/- 30 days in Charterer's option plus 1 or 2 years optional year(s) declaration by Charterers 5 months prior end of the firm period” to “Geden Holdings Limited,¹ Malta or nominee always guaranteed by Geden Line.” See **EXHIBIT 1**, box 21. The vessel was delivered to the service of the nominee of GEDEN HOLDINGS, *i.e.* SPACE, and to GEDEN LINES, and was used and operated for profit by them as part of GEDEN LINES’ non-owned, chartered-in fleet.

15. By subsequent addendum to the bareboat charter, GEDEN HOLDINGS became the performance guarantor of SPACE. See **EXHIBIT 1**. See also Addendum dated June 2, 2010, and performance guarantee of GEDEN HOLDINGS, dated March 4, 2010 hereto attached as **EXHIBIT 2**.

16. Under Part II Clause 10 of the bareboat charter, SPACE was obligated to maintain the vessel in a good state of repair, with all of her class certificates up to date.

¹ Geden Holdings Limited (hereinafter “Geden Holdings”) was a holding company incorporated in Malta. It held 100% of the shares of SPACE and 100% of the shares of several one-ship-companies as is more specifically pled in this Original Verified Complaint.

17. Under Part II Clause 15 of the bareboat charter, SPACE was obligated to redeliver the vessel at the end of the bareboat charter party term “...in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.” Moreover, the same clause provides that “...upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed...”

18. Under Part II Clause 17 of the bareboat charter, SPACE was obligated “to indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the vessel by the Charterers...” and under Rider Clause 9, SPACE as charterer undertook to indemnify the owners of the vessel “against, all costs charges, expenses, claims proceedings (whether civil or criminal), liabilities, losses, penalties, duties and fees...and taxes thereon suffered or incurred by the Owners arising directly or indirectly in any manner out of the possession, management control, chartering, sub-chartering...use, operation, return, redelivery...of the Vessel...and regardless of when the same shall arise.”

19. Pursuant to clause 7 of a Settlement Agreement dated 8 December 2016, and entered into between Plaintiff as Owners, in settlement of interim disputes regarding an outstanding arbitration award in favor of Owners for unpaid charter hire, and Defendant SPACE as Charterers, and GEDEN HOLDINGS as performance guarantors, the hire amount payable under the Charterparty was amended to USD 9,875 per day from 1 January 2017 onwards.

20. Plaintiff delivered the vessel into the bareboat chartered service and rendered the contractual performance required of it. However, Defendant SPACE (hereinafter also referred to as “Charterer”), though possessing and using the CV STEALTH, has failed and refused to perform

its obligations under the bareboat charter party contract, and is in breach thereof as is further pled below.

21. On April 10, 2014, SPACE time chartered the Vessel to ST Shipping & Transport Pte. Ltd. (hereinafter “ST”), a Singapore business entity, for a term of approximately twelve months. ST, operating out of its Stamford, Connecticut branch office, where it is registered as a foreign corporation and carries on business as a cargo ship operator, sub-chartered the vessel on a voyage charter party dated September 4, 2014 to lift a cargo up to 400,000 barrels of Venezuelan crude oil from Puerto La Cruz for discharge at a terminal in the U.S.A.

22. The Vessel was directed by ST to Puerto la Cruz, Venezuela to load her cargo where after arriving, and tendering her notice of readiness to load, she was boarded by local police and prosecutorial authorities on or about September 13, 2014 and was detained by them on suspicion of attempting to carry a stolen cargo of crude oil.

23. At Puerto La Cruz, the CV STEALTH was further detained by court order, and at the request of the prosecutorial authorities, for a period exceeding three years, which was beyond the agreed bareboat charter party contractual redelivery date.

24. Under the terms of the bareboat charter, the latest date for the redelivery of the CV STEALTH to Plaintiff was on June 22, 2015. However, SPACE, in breach of the bareboat charter, failed to redeliver her to Plaintiff - her lawful owner - and at the same time was failing to pay hire as the bareboat charter requires.

25. Owners commenced London maritime arbitration to enforce their claims against SPACE for unpaid hires. The arbitration tribunal ruled in favor of Plaintiff, requiring SPACE to

keep paying monthly bareboat charter hire until the Vessel was released and was actually redelivered to Plaintiff.

26. On October 3, 2017, SPACE claimed the Venezuelan authorities' detention of the CV STEALTH had terminated and gave PSARA notice of its intent to redeliver the Vessel within approximately 30 days. However, the Vessel was incapable of being redelivered as she was out of class with her attending classification society the American Bureau of Shipping. Moreover, the Vessel was so extensively damaged due to SPACE's neglect and lack of maintenance throughout her 3 years long detention that she was incapable of sailing under her own power and was in need of extensive repairs.

27. Ultimately SPACE arranged to have the vessel towed from Puerto La Cruz, Venezuela to Port of Spain, Trinidad where she was redelivered and taken over by Plaintiff's personnel on or about March 24, 2018, out of class, and in the same heavily damaged condition as she was before she was towed by SPACE to Port of Spain.

Breach of Charterers' Maintenance/Redelivery Obligations

28. Pursuant to Clause 10(a) of Part II the bareboat charter, SPACE was under an obligation to keep the Vessel well maintained and in a good state of repair throughout the duration of the charter. SPACE was also under an obligation to keep the Vessel's Class fully up to date and to maintain all other necessary certificates in full force at all times.

29. Further, pursuant to Clause 15 of Part II of the bareboat charter, SPACE was obliged to: redeliver the Vessel to Owners "in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted"; with her survey cycles up to date and trading and class certificates valid. Box 17 of part I of the bareboat charter required the Vessel to have passed her Special Survey dry docking without extensions.

30. In breach of Clauses 10(a) and/or 15 of Part II and/or Box 17 of the bareboat charter, SPACE did not undertake any (or any non-negligible) maintenance on the Vessel, which since September 2014, failed to pass her Special Survey dry docking, and instead redelivered the Vessel in a severely damaged condition on 24 March 2018 with all Class and statutory certificates expired.

31. The work needed in order for the Vessel to be restored to the required redelivery condition; to pass Special Survey; and to have all Class and statutory certificates reinstated, includes the following non-exhaustive list of works:

- (i) complete overhauling and/or repair and/or replacement of all machinery and equipment and extensive renewals of major and miscellaneous spares;
- (ii) extensive piping system renewals, overhauling of valves, sensors and gauges;
- (iii) full hull and deck blasting and extensive steel renewals and recoating;
- (iv) extensive renewal of outfitting, supports, ladders;
- (v) extensive steel renewals in cargo and ballast tanks;
- (vi) re-tubing and/or replacement of auxiliary boilers and exhaust gas boilers;
- (vii) overhauling and renewal of cargo system, cargo piping, cargo monitoring and cargo equipment and machinery;
- (viii) steam lines and heating coils renewals;
- (ix) deck machinery overhauling and renewal including cranes and their hydraulic systems;
- (x) electrical, electronics and automation system service, repair and renewal;
- (xi) extensive rewiring;
- (xii) bridge navigation and communication equipment service and renewals;
- (xiii) overhauling, repairs and renewal of steering and shafting system;

(xiv) overhauling, service, repair and renewals of all safety equipment, firefighting systems and appliances including lifesaving equipment; and

(xv) fitting of ballast water treatment system.

32. As a consequence of the extensive damage to the Vessel, it would cost more to tow her to repair facilities and repair her than her (repaired) market value. Plaintiff, the Owner of the Vessel, has submitted in London Maritime arbitration a claim for damages in an amount equivalent to the (repaired) market value of the Vessel, which is USD 18,000,000.00 (EIGHTEEN MILLION U.S. DOLLARS).

Unpaid Bareboat Charter Hire

33. SPACE has failed to pay outstanding hire that was earned during the month of February 2018, for which PSARA has obtained an award from the London maritime arbitration tribunal - that has jurisdiction over the merits of the case - in the amount of USD 276,500. In addition to this amount, the arbitration tribunal has awarded PSARA Pounds Sterling 4,550.00 (USD 6,515.50) by way of arbitration costs for this particular reference relating to the February 2018 charter hire, with annual interests on each of the two amounts at the rate of 5%, compounded quarterly.

34. SPACE has also failed to pay Plaintiff the charter hire for the month of March 2018 in the amount of USD 233,708.33, which Plaintiff is claiming in the ongoing London maritime arbitration.

III. UNDERLYING PROCEEDINGS ON THE MERITS

35. Box 35 and clause 30(a) of the bareboat charter party (**EXHIBIT 1**) provide for arbitration of all disputes arising out of the contract in London.

36. Plaintiff is claiming in London maritime arbitration the amount of USD

18,000,000.00 (EIGHTEEN MILLION U.S. DOLLARS) as the repaired value of the vessel; and the unpaid hire for the month of March 2018 in the amount of USD 233,708.33, together with interest and costs.

37. Plaintiff is also owed charter hire for the month of February 2018 under the London maritime arbitration award together with arbitration costs in the total amount of USD 283,015.50

38. Plaintiff estimates the legal costs that will be incurred to pursue these claims in London maritime arbitration proceedings will be approximately USD 400,000.00. As it is customary in London arbitration, legal costs, including lawyers' fees, are awarded to the prevailing party.

39. This action is an ancillary proceeding, brought to obtain jurisdiction over Defendant Charterer and to obtain security for Plaintiff's claims in the London maritime arbitration proceedings.

IV. IDENTITY OF THE CORPORATE AND INDIVIDUAL DEFENDANTS AND THEIR INTERRELATIONSHIPS

40. In June of 2015, when SPACE had fallen substantially in arrears in its bareboat charter hire payment obligations, and the contractual redelivery of the Vessel to Plaintiff was approaching, Plaintiff became concerned and made enquiries regarding the status of the CV STEALTH and the other crude oil tanker vessels that were being operated by Defendant GEDEN HOLDINGS. Plaintiff was astounded to discover the entire "owned" – as opposed to the "chartered-in" fleet - of GEDEN HOLDINGS had been surreptitiously transferred to new owners, as shown in **TABLE I** below:

TABLE I

VSL FORMER NAME	FORMER OWNER	VSL NEW NAME	NEW OWNER
PROFIT	Profit Shipping, Ltd.	ADVANTAGE SOLAR	Advantage Solar Shipping, LLC

TARGET	Target Shipping, Ltd.	ADVANTAGE ARROW	Advantage Arrow Shipping, LLC
TRUE	True Shipping, Ltd.	ADVANTAGE AVENUE	Advantage Avenue Shipping, LLC
BLUE	Blue Shipping, Ltd.	ADVANTAGE SKY	Advantage Sky Shipping, LLC
PINK	Pink Shipping, Ltd.	ADVANTAGE SUMMER	Advantage Summer Shipping, LLC
BLANK	Blank Shipping, Ltd.	ADVANTAGE START	Advantage Start Shipping, LLC
REEF	Reef Shipping, Ltd.	ADVANTAGE SPRING	Advantage Spring Shipping, LLC
BRAVO	Bravo Shipping, Ltd.	ADVANTAGE ATOM	Advantage Atom Shipping, LLC
POWER	Barbaros Maritime, Ltd.	ADVANTAGE ANTHEM	Advantage Anthem Shipping, Ltd.
VALUE	Value Shipping, Ltd.	ADVANTAGE AWARD	Advantage Award Shipping, LLC
ROYAL	Prima Shipping, Ltd.	ADVANTAGE SUN	Advantage Sun Shipping, Ltd.

41. Not only had the said vessels been transferred to new corporate owners, but they had been renamed and reflagged from the Maltese shipping register to that of the Marshall Islands.

42. Investigation into the ship register/ship mortgage record of the Republic of the Marshall Islands revealed that all of the above 11 crude oil tanker vessels which were formerly owned by one-ship-companies, and in turn, 100% controlled by shareholder GEDEN HOLDINGS, had been transferred in approximately the first 5 months of 2015 - without any notice to or the knowledge of Plaintiff - to new one-ship-companies 100% controlled by a new holding company: ADVANTAGE TANKERS, LLC. ADVANTAGE TANKERS is ultimately 85% controlled by the daughter and only child of Defendant EMIN KARAMEHMET, *i.e.* Defendant KARAMEHMET WILLIAMS and 15% by Defendant TOKGÖZ. The said ship mortgage records contain a diagrammatic representation of the said new ownership structure which is hereto attached as **EXHIBIT 3**.

A. SUCCESSOR CORPORATION RELATIONSHIP

43. The grouping of the following corporate entities: ADVANTAGE TANKERS; its subsidiary ADVANTAGE START SHIPPING; ADVANTAGE HOLDINGS; FORWARD HOLDINGS; and 10 other one-ship-company entities that are subsidiaries of ADVANTAGE TANKERS² (said grouping hereinafter collectively referred to for the sake of brevity as “Advantage-Group”) comprise, respectively, successor corporate business entities of the grouping formerly constituted of: GEDEN HOLDINGS; Blank Shipping, Ltd. GEDEN LINES; SPACE SHIPPING; and 10 other former one-ship-companies³, as shown in TABLE I (hereinafter collectively referred to, for the sake of brevity, as “Geden-Group”).

44. As particularized in the following paragraphs 45-55, the Advantage-Group corporate entities are successor corporations of the Geden-Group corporate entities in that: a) the former have acquired and are respectively in possession of the trading assets of the latter⁴ (hereinafter “the 11 tanker vessels”), as illustrated in the foregoing Table I; b) they occupy and carry on business from the same business premises, *i.e.* Buyukdere Cad., Yapi Kredi Plaza, A Blok K:12 34330 Levent-Istanbul-Tukey; c) they transact their business by and through identical personnel as the latter; d) they share common officers and directors with the latter; e) they have taken over and are servicing the same customers as were being served by the latter; f) they have

² Foreign limited liability companies: Advantage Solar Shipping, LLC; Advantage Sky Shipping, LLC; Advantage Start Shipping, LLC; Advantage Arrow Shipping, LLC; Advantage Avenue Shipping, LLC; Advantage Award Shipping, LLC; Advantage Atom Shipping, LLC; Advantage Summer Shipping, LLC; Advantage Spring Shipping, LLC; Advantage Sun Shipping, LLC

³ Foreign limited liability companies: Profit Shipping, Ltd.; Blue Shipping, Ltd.; Blank Shipping, Ltd.; Target Shipping, Ltd.; True Shipping Ltd.; Value Shipping, Ltd; Bravo Shipping, Ltd; Barbaros Maritime, Ltd; Pink Shipping, Ltd; Reef Shipping Ltd.; Prima Shipping, Ltd.

⁴ The said assets are the tankers: PROFIT now renamed ADVANTAGE SOLAR; BLUE now renamed ADVANTAGE SKY; BLANK now renamed ADVANTAGE START; TARGET now renamed ADVANTAGE ARROW; TRUE now renamed ADVANTAGE AVENUE; VALUE now renamed ADVANATGE AWARD; BRAVO now renamed ADVANTAGE ATOM; POWER now renamed ADVANTAGE ANTHEM; PINK now renamed ADVANTAGE SUMMER; REEF now renamed ADVANTAGE SPRING; ROYAL now renamed ADVANATGE SUN. For the sake of brevity these vessels will be collectively referred to as “the 11 tanker vessels”.

virtually the same financing banks financing their business as the latter; g) they have assumed numerous of the latter's obligations, including long term charter parties with Shell Western Supply and Trading, Ltd.; h) there is continuity of shareholders, GEDEN HOLDINGS retains ultimate control over the corporate entities of the Advantage-Group that own the 11 tanker vessels; i) the controlling shareholder of GEDEN HOLDINGS and GEDEN LINES - EMIN KARAMEHMET – continues to maintain a substantial financial interest in the Advantage-Group companies, as GEDEN LINES (which is 100% controlled by him) manages and operates all of its 11 tanker vessels formerly held by the one-ship-companies of the Geden-Group; j) GEDEN LINES exercises complete control over all of the corporate entities of the Advantage-Group as its administrative, operations, technical, commercial, and safety manager; k) following the purported sale of the 11 tanker vessels, GEDEN HOLDINGS formally ceased its ordinary business operations, through its subsidiary one ship companies and wound down its remaining business of operating chartered-in tonnage. l) the transfer of the assets of the Geden-Group to the Advantage-Group was the implementation of a deliberate well planned scheme intended to ring fence assets from claims of unsecured non-lending creditors, such as Plaintiff, and frustrate their recourse.

45. As part of a business reorganization arrangement conceived and implemented by the management of the Geden-Group, in concert with EMIN KARAMEHMET, KARAMEHMET WILLIAMS, and TOKGÖZ, the one-ship-companies of the Geden-Group “sold” the respective vessels each one of them had owned to its homologous Advantage-Group one-ship-company, with these transactions occurring approximately during the first and second quarter of 2015. The said “sales”, were in actual fact part of a “reorganization” and makeover of the ownership structure, whereby newly minted corporate one-ship-companies of the Advantage-Group would take over ownership of the assets with the control, however, remaining with GEDEN HOLDINGS. *See*

“Consent Letter” agreement dated February 6, 2015 between GEDEN HOLDINGS and Shell Western Supply and Trading, Ltd. hereto attached as **EXHIBIT 4** at Bates No. D01248, at ¶ 2 thereof, wherein GEDEN HOLDINGS assures Shell Western Supply and Trading, Ltd that each of the Advantage-Group one-ship-companies would be “wholly owned by the Shareholder”, *i.e.* GEDEN HOLDINGS.

46. Notwithstanding the transfer of ownership of the respective vessels from the Geden-Group one-ship-companies, to the respective Advantage-Group one-ship-companies, all of the time charter parties under which the said respective vessels, before and at the time of the transfer, were being employed by Shell Western Supply and Trading, Ltd. continued seamlessly with the Advantage-Group one-ship-companies. This was accomplished under contractual arrangements with Shell Western, worked out by GEDEN HOLDINGS / GEDEN LINES, KARAMEHMET WILLIAMS, and TOKGÖZ, whereby the said charter parties, several of which had significant unexpired terms, were renewed for a 5-year period, at rates and on such other terms as were agreed on behalf of the Advantage-Group one-ship-companies by GEDEN HOLDINGS. *Id.* at D01248 - D01250.

47. Notwithstanding the purported transfer of ownership of the respective vessels from the Geden-Group one-ship-companies to the respective Advantage-Group one-ship-companies, GEDEN HOLDINGS represented and warranted to the Geden-Group’s sole customer - Shell Western Supply and Trading, Ltd - that it retained ownership over the Advantage-Group one-ship-companies. *Id.* at Bates No. D01248, at ¶ 2 thereof. Said representations and warranties regarding the ultimate ownership and control of the Advantage-Group one-ship-companies by GEDEN HOLDINGS were accepted by Shell Western Supply and Trading, Ltd in agreeing to enter into new time charters with the said Advantage-Group one-ship-companies. *See* relevant extract from

the deposition of the General Manager of Shell Western Supply & Trading, Ltd. specifically identifying GEDEN HOLDINGS as the “shareholder” retaining the ultimate control over the Advantage-Group one-ship-companies, hereto attached as **EXHIBIT 5**.

48. Notwithstanding the transfer of ownership of the respective vessels from the Geden-Group one-ship-companies to the respective Advantage-Group one-ship-companies, all day-to-day shore-side operations of the 11 tanker vessels continue to be performed by and through GEDEN LINES, including safety management, security management, crewing, victualing, supplying, technical monitoring and supervision, drydocking, repairs, accounting, insuring, and generally every function necessary in order to keep and maintain the said vessels trading as merchant vessels in the same manner and to the same extent that GEDEN LINES had performed before the said transfer of ownership of the 11 tanker vessels. *See e.g.* Ship Management Agreement for the M/T ADVANTAGE START dated February 10, 2015, hereto attached as **EXHIBIT 6** at pp. 2475-2484; *See also* extracts from the Loan Agreement for the ADVANTAGE START dated March 16, 2015 with CIT Finance LLC (hereinafter “CIT”) , hereto attached as **EXHIBIT 7** defining “Manager “ as Genel Denizcilik Nakliyatı A.S. “commercial and technical manager of each vessel under a Management Agreement and as corporate administrator of each borrower and the Guarantor” (at p. 14 of the loan agreement); and, providing for a “Manager’s Undertaking” whereby the manager, GENEL DENIZCILIK, is required to continue acting in these capacities throughout the period of the loan.

49. The operation and management of the 11 tanker vessels of the Advantage-Group is performed by EMIN KARAMEHMET’s GEDEN LINES, using the same employees; working out of the same address (Buyukdere Ca., Yapi Kredi Plaza, A Blok K: 12 34330-Levent-Istanbul-Turkey), as before the transfer of the 11 tanker vessels to the Advantage-Group.

50. Notwithstanding the transfer of ownership of the 11 tanker vessels from the Geden-Group one-ship-companies to the respective Advantage-Group one-ship-companies, the majority of the lenders that financed the acquisition of the vessels by the Advantage-Group one-ship companies remained the same, with new rollover-like refinancing arrangements and ship mortgaging arrangements having been negotiated and worked out by GEDEN HOLDINGS / GEDEN LINES executives and directors on behalf of ADVANTAGE TANKERS. See **EXHIBIT 4** at ANNEX I.

51. Notwithstanding the transfer of the 11 tanker vessels from the Geden-Group to the Advantage-Group, GEDEN LINES, which is controlled by EMIN KARMAHMET, continues to maintain a substantial financial interest in the 11 tanker vessels enjoying a significant economic benefit as operator and manager of the ADVANTAGE TANKERS fleet of approximately USD 4,015,000.00 annually as compensation for its services.

52. Notwithstanding the transfer of the 11 tanker vessels from the Geden-Group to the Advantage-Group, GEDEN LINES, in its capacity as the sole operator and manager of the 11 tanker vessels, and thereby its controlling shareholder EMIN KARAMEHMET, exercise complete control over all of the operational, technical, and all other business activities of the 11 one-ship-companies of the Advantage-Group.

53. GEDEN HOLDINGS, GEDEN LINES, ADVANTAGE TANKERS, and the respective one-ship-companies of the Geden-Group and Advantage-Group have in common key management personnel including: the same Chief Executive Officer, who is also a director of GEDEN HOLDINGS, GEDEN LINES and ADVANTAGE TANKERS; and the same Chief Financial Officer, who is also a director of GEDEN HOLDINGS.

54. Following the “sale” of the 11 tanker vessels, their respective former one-ship-

company owners ceased to own vessels.

55. The holding company role of GEDEN HOLDINGS and the one-ship-companies of the Geden-Group, following the transfer of the 11 tanker vessels, was taken over by ADVANTAGE TANKERS and its subsidiary one-ship-companies. ADVANTAGE TANKERS and its subsidiary one-ship-companies thereby have assumed the obligations previously incumbent on GEDEN HOLDINGS and its one-ship-subsiaries.

56. By reason of the foregoing facts pled in averments ¶¶ 45-55, ADVANTAGE TANKERS and the one-ship-companies it holds, and GEDEN HOLDINGS and the one-ship-companies and single-vessel chartering companies it holds, have either entered into a *de facto* merger; or ADVANTAGE TANKERS and the one-ship-companies it holds are a mere continuation of the business of GEDEN HOLDINGS.

57. In the alternative, the transfer of the assets of the Geden-Group to the Advantage-Group in the manner set out in the foregoing averments ¶¶ 45-55 was a transaction entered into by the parties involved to avoid liabilities.

58. The one-ship companies that formerly owned the 11 tanker vessels were absorbed by the Advantage-Group, as evidenced by the identity of assets, location, management, personnel, and stockholders.

59. Accordingly, ADVANTAGE TANKERS and the one-ship-companies it holds, including ADVANTAGE START SHIPPING, are liable for Plaintiff's claims respectively as the successor corporations of EMIN KARAMEHMET - controlled GEDEN HOLDINGS, SPACE SHIPPING and BLANK SHIPPING, LTD, and the M/T ADVANTAGE START may be attached as security for Plaintiff's claims.

B. FRAUDULENT TRANSFER ALLEGATIONS

60. Plaintiff realleges ¶¶ 1-59 of the above and foregoing Original Verified Complaint and further avers as follows:

61. In agreeing to bareboat charter its vessel the CV STEALTH to SPACE, a Maltese corporation without any known tangible assets or business performance record, and to accept the performance guarantee of GEDEN HOLDINGS Plaintiff relied on express affirmative representations of fact made on behalf of GEDEN HOLDINGS / GEDEN LINES by their common CEO and director TOKGÖZ. Specifically, TOKGÖZ represented that GEDEN HOLDINGS was the parent company of the “special purpose companies”, *i.e.* the one-ship companies which at the time owned the 11 tanker vessels. A Copy of the March 4, 2010 letter of GEDEN HOLDINGS containing such representations in writing is hereto attached as **EXHIBIT 8**.

62. The performance guarantee of GEDEN HOLDINGS (**EXHIBIT 2**) contemporaneously issued with the March 4, 2010 letter, is a continual guarantee extending over the entire duration of the performance of the charter party, and indeed, for at least 7 years past the delivery of the vessel, and specifically provides in relevant part that that it is given in consideration of Plaintiff's refraining from arresting or otherwise detaining any of the assets of GEDEN HOLDINGS.

63. Plaintiff relied on the representations made in the March 4, 2010 letter (**EXHIBIT 8**), particularly the representation that GEDEDN HOLDINGS owned and would continue to own through its one-ship-companies the 11 tanker vessels, and thereby agreed to continue chartering the CV STEALTH to SPACE and accept the performance guarantee of GEDEN HOLDINGS.

64. GEDEN HOLDINGS purports that during the first 5 months of 2015, it divested itself of its entire interest in the 11 tanker vessels and “sold” same to the Defendants comprising

the Advantage-Group through legitimate arm's length transactions. In actual fact, the Defendants implemented a fraudulent restructuring scheme that had been in their planning and contemplation as pled below⁵.

65. During 2012 and 2013 as a result of a faltering tanker market, the high prices it had paid for the construction of the 11 tanker vessels and the acquisition of other tonnage, the Geden-Group experienced severe economic difficulties and pressing demands by various creditors that included attachment of vessels of the group. In consultation with the group's lending banks, GEDEN LINES commissioned business restructuring specialist AlixPartners UK LLP to develop a proposed plan for the restructuring of their business. A report was prepared by AlixPartners, dated March 6, 2013 under the title "Project Hermitage Restructuring". See Report of AlixPartners hereto attached as **EXHIBIT 9**⁶ (hereinafter referred to as "Project Hermitage").

66. Project Hermitage recommended the replacement of GEDEN HOLDINGS as the group's holding company by another new business entity - a "newco" - which, under the recommended plan, "[p]rovides for recategorization of exposure from "Geden Holdings Ltd." to Newco where equity is "in-the-money" and shareholders are better incentivized to provide ongoing support." See **EXHIBIT 9** at Bates No. P-001870. The plan of Project Hermitage also recommended the sale of the vessels or the one-ship-companies to "Newco"; the continuation of

⁵ In a similar manner GEDEN HOLDINGS purportedly "sold" its fleet of product carrier tankers to new buyers while it continued to maintain control over their operation and to profit from trading same under FUTURE HOLDINGS, LTD. a management company controlled by Defendants KARAMEHMET-WILLIAMS and TOKGÖZ.

⁶ The Alix Partners' report specifically states: "This report ("Report") was prepared by AlixPartners UK LLP ("AlixPartners") exclusively for the sole benefit and internal use of GENEL Denizcilik Nakliyatı A.Ş. – GEDEN Lines (the "Company") pursuant to a client relationship between AlixPartners and the Company stipulated in the agreement for the provision of consulting services dated 22 November 2012 (the "Engagement Letter"). EXHIBIT 10 at Bates No. P-001832. As to the factual content of the AlixPartners report it provides in relevant part: "The information contained in this Report is based upon financial and other data provided to AlixPartners and the representation made to AlixPartners by the management and staff of the Company" *Id.* at Bates No. P-001833. *Emphasis added.*

the management of the vessels by GEDEN LINES; the rollover financing of the existing debt to the financing banks; the retention of the equity of GEDEN HOLDINGS; the transfer of the surplus of equity in the assets to Newco (**EXHIBIT 9** (flow chart) Bates No. P-001846); and the ring-fencing of potential sources of disruption (such as arrests and sister-ship arrests). *Id.* at Bates No. P-001870.

67. Even though the recommendations of Project Hermitage were not adopted by Defendants in their exact proposed form, they were nonetheless substantially adopted and implemented as evidenced by the following events: a) GEDEN HOLDINGS / GEDEN LINES, acting by and through their common chief executive officer and chief financial officer, caused the incorporation of Advantage Tankers, LLC, in the Marshall Islands, *i.e.* the “Newco” contemplated by Project Hermitage⁷; b) GEDEN HOLDINGS / GEDEN LINES, by and through their common chief executive officer and chief financial officer, made arrangements for the rollover financing of the loans of GEDEN HOLDINGS’ one-ship-companies with ADVANTAGE TANKERS taking on the role of corporate guarantor; c) GEDEN HOLDINGS / GEDEN LINES, acting by and through their common chief executive officer and chief financial officer, caused the one-ship-companies controlled by GEDEN HOLDINGS to “sell” their vessels to newly minted Marshall Islands corporate entities that comprise the Advantage-Group shown in the foregoing TABLE I; d) GEDEN HOLDINGS / GEDEN LINES, acting by and through their common chief executive officer and chief financial officer, arranged for the management of the 11 tanker vessels to continue being performed by GEDEN LINES under new 5 year contracts; e) by transferring all of the tangible operating assets of GEDEN HOLDINGS to the ADVANTAGE TANKERS one-ship-

⁷ At all times material hereto, all Defendants have the same Chief Executive officer - Tugrul Tokgoz- and the same Chief Financial Officer -Mehmet Matt - who also hold overlapping roles as directors and /or officers of the respective corporate Defendants of the one-ship-companies controlled by ADVANTAGE TANKERS.

companies, *i.e.* the 11 tanker vessels, GEDEN HOLDINGS effectively “ringfenced” them, thereby blocking creditors of GEDEN HOLDINGS from seeking recourse against its assets.

68. Project Hermitage specifically referred to the bareboat charter of the CV STEALTH and other chartered-in tonnage of other owners in the following terms: “Group D, Geden Oldco: 11 Group D vessels make up the residual fleet and are not part of the Company's future. These include the vessels funded by FSL, Icon, Octavian and Stealth when traditional financing was unavailable.” With specific reference to Plaintiff's vessel the CV STEALTH Project Hermitage notes: “not ours”. *See* **EXHIBIT 9** at P-001856.

69. The actions of the Defendants in implementing the recommendations of Project Hermitage in the manner described in the foregoing manifests the design, plan, and intent of the Defendants to deal with their assets in a fraudulent manner to the detriment and prejudice of their creditors, specifically including Plaintiff as noted in ¶ 68 *supra*.

70. Defendant SPACE SHIPPING, LLC's sole business is to act as the nominee of GEDEN HOLDINGS in the performance of the bareboat charter. As pled in the foregoing, Plaintiff entered in the bareboat charter relying on the representations and warranties that GEDEN HOLDINGS was the owner of the 11 tanker vessels and several other vessels, and on its performance guarantee.

71. At all times material hereto and as pled in the foregoing, GEDEN HOLDINGS, through the machinations of its equity holder EMIN KARAMEHMET, “restructured” the ownership of its assets, by arranging their transfer to ADVANTAGE TANKERS, a company 85% controlled by his only child KARAMEHMET WILLIAMS, and 15% by his hand-picked CEO of GEDEN LINES and GEDEN HOLDINGS - TOKGÖZ. As a result, Plaintiff was left without any of the recourse that it had agreed to forego (*i.e.* the attachment of Geden Holdings' owned vessels)

in consideration for GEDEN HOLDING's performance guarantee.

72. Notwithstanding the fraudulent restructuring of the ownership of its shipping assets, GEDEN HOLDINGS provided in confidence express assurances to Shell Western Supply & Trading, Ltd. that it remained the controlling shareholder of the same 11 tanker vessels through its complete control of the Advantage-Group one-ship-companies.

73. Though Defendants KARAMEHMET WILLIAMS and TOKGÖZ have warranted to the lenders of the Advantage-Group that they hold respectively 85% and 15% of the ultimate beneficial interest in ADVANTAGE TANKERS, which, in turn, warrants it controls 100% of the 11 tanker vessels, (See **EXHIBIT 3**), TOKGÖZ, who is the Chief Executive Officer of ADVANTAGE TANKER and a director of GEDEN HOLDINGS, has also warranted to Shell Western Supply & Trading, Ltd. that it is actually GEDEN HOLDINGS controlling the Advantage-Group corporate entities that own the same vessels, even after their purported transfer to the Advantage-Group. Based on the foregoing and the conflicting representations of Defendants, the ownership of the ADVANTAGE START (ex BLANK) was fraudulently transferred to the detriment of unsecured creditors.

74. Plaintiff invokes the power of this honorable court as a court of admiralty "...to protect its jurisdiction from being thwarted by a fraudulent transfer, [by] authorizing an attachment to secure an independent maritime claim." *Swift Co Packers v. Compania Colombiana Del Caribe*, 339 U.S. 684, 694-695 (1950).

75. Based on the expressed rationale underlying the transfer of the 11 tanker vessels from GEDEN HOLDINGS to ADVANTAGE TANKERS noted in the foregoing, *i.e.* the "ringfencing" of the assets in order to avoid "arrests"; the close family relationship between EMIN KARAMEHMET and KARAMEHMET WILLIAMS that constitutes the latter an insider of the

former in relation to his status as 100% shareholder of Plaintiff's obligors GEDEN HOLDINGS / GEDEN LINES and SPACE; the transfer of what was substantially all of the assets of the said obligors of Plaintiff; the failure of the Defendants to disclose to Plaintiff the impending transfer of the assets from the Geden-Group to the Advantage-Group; the Defendants express intent to fraudulently restructure the ownership of the corporate holding structures for the benefit of the equity holders and to the detriment of unsecured non-lending creditors; and all of the factual circumstances pled in the foregoing ¶¶ 60-73, there are reasonable grounds and probable cause to believe that the said transfer was intended to hinder, delay, or defraud the creditors of SPACE and same may and should be set aside as a fraudulent conveyance.

V. APPLICATION FOR ATTACHMENT UNDER SUPPLEMENTAL ADMIRALTY RULE B

76. None of the Defendants are or were at the time of the filing of this suit present within the District or can be found in the District within the meaning of Rule B of the Supplemental Rules for Certain Admiralty and Maritime Law Claims and under the laws of Louisiana governing personal jurisdiction. *See* Attorney Declaration of George Gaitas attached hereto as **EXHIBIT 10**. Nevertheless, Defendants have within the District tangible or intangible personal property in the hands of parties who may be named garnishees in the process of maritime attachment and garnishment consisting of debts, credits, or effects.

77. More specifically, there is presently, or imminently due to arrive, in the Eastern District of Louisiana, the Motor Tanker ADVANTAGE START, a tanker vessel registered in the Marshall Islands, with IMO No. 9466570 and international call sign V7KY9, as pled in the foregoing.

78. Defendants have used and continue to use the purportedly corporate separateness, and incorporated status of their surrogate entities ADVANTAGE START, ADVANTAGE

TANKERS, ADVANTAGE HOLDINGS, and FORWARD HOLDINGS abusively, to wit: to engage in fraudulent corporate restructuring and asset reallocation practices in order to escape their lawful obligation to repair or pay the cost of repairs of the CV STEALTH and also pay bareboat charter hire until the redelivery of the CV STEALTH to Plaintiff - her lawful owner.

79. Plaintiff has maritime claims against the Defendants arising out of the breach of a maritime contract (*i.e.* – the bareboat charter party of the CV STEALTH dated February 23, 2010, and the performance guarantee dated April 4, 2010).

80. The amounts of Plaintiff's claims as reasonably as it can be estimated is as follows:

A.	The repaired cost of the CV STEALTH.....	\$ 18,000,000.00
B.	Unpaid Charter Hire due and owing.....	\$ 510,208.33
C.	Awarded legal costs.....	\$ 6,515.50
C.	Interest at 6% compounded quarterly for 1 year.....	\$ 943,340.00
E.	Recoverable Legal Fees and Costs.....	\$ 400,000.00

Total Claim.....\$ 19,860,063.80

Therefore, Plaintiff's total claim for breach of the maritime contracts against Defendants is in the aggregate sum of **USD 19,860,063.80 (NINETEEN MILLION EIGHT HUNDRED SIXTY THOUSAND SIXTY THREE DOLLARS AND EIGHTY CENTS)**

WHEREFORE PREMISES CONSIDERED, Plaintiff prays as follows:

A. That process in due form of law, according to the practice of this Honorable Court in matters of admiralty and maritime jurisdiction be issued against Defendants and said Defendants be cited to appear and answer the allegations of this Original Verified Complaint;

B. That since the Defendants cannot be found within this District pursuant to Supplemental Rule B, all of the assets of the Defendants presently within this District, or assets

expected in this District during the pendency of this action, including, but not limited to the M/T ADVANTAGE START and/or any assets within the possession, custody or control of any other garnishee upon whom a copy of the Process of Maritime Attachment and Garnishment issued in this action may be served, be attached and garnished in an amount sufficient to answer Plaintiff's claim;

C. That this Court retain jurisdiction over this matter through the entry of any judgment or award associated with any of the claims currently pending, or which may be initiated in the future, including any appeals thereof;

D. That judgment be entered against each of the Defendants and each of them in the sum of Nineteen Million Eight Hundred Sixty Thousand Sixty Three Dollars and eighty cents **(USD 19,860,063.80) (NINETEEN MILLION EIGHT HUNDRED SIXTY THOUSAND SIXTY THREE DOLLARS AND EIGHTY CENTS)** together with interest and costs, be applied in satisfaction thereof;

E. That the Court grant such other and further relief as it deems, just, equitable and proper.

Respectfully submitted,

GAITAS, KENNEDY & CHALOS, P.C.


By: /s/George A. Gaitas
George A. Gaitas
Louisiana State Bar No. 05879
Federal Bar No. 705176
Sean D. Kennedy
Louisiana State Bar No. 31809
Federal Bar No. 1007545
Jonathan M. Chalos
Federal Bar No. 3008683
Pro Hac Vice forthcoming
E-mail: gaitas@gkclaw.com
kennedy@gkclaw.com

chalos@gkclaw.com

Attorneys for Plaintiff
Psara Energy, Ltd.

EXHIBIT 1

2nd original

1. Shipbroker Arrow Tankers A/S Bredgade 31 B, 4. DK-1260 Copenhagen K Denmark		BIMCO STANDARD BAREBOAT CHARTER CODE NAME: "BARECON 2001" 	
3. Owners/Place of business (Cl. 1) Psara Energy Limited Ajeltake Road, Ajeltake Island Majuro, MH 96960 Marshall Island		2. Place and date Copenhagen, 23rd February 2010	
5. Vessel's name, call sign and flag (Cl. 1 and 3) Name: m.L CV STEALTH Flag: Malta		4. Bareboat Charterers/Place of business (Cl. 1) Geden Holdings Limited, Malta or nominee always guaranteed by Geden Line. Performance Guarantee to the satisfaction of Owners and their financiers to be mutually agreed.	
6. Type of Vessel Crude oil carrier		7. GT/NT 58,418 / 31,117	
8. When/Where built 2005 / Shanghai Wangaoqiao Shipbuilding Co. Ltd.		9. Total DWT (abt.) in metric tons on summer freeboard 104,499	
10. Classification Society (Cl. 3) ABS		11. Date of last special survey by the Vessel's classification society N/A	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) Attached Vessel's Q88. Vessel to be redelivered with SS passed			
13. Port or Place of delivery (Cl. 3) WW DLOSP at one safe port / safe anchorage ATDNHINC Vessel to be delivered with SS passed		14. Time for delivery (Cl. 4) 15th April 2010, 00:01 hrs lt	15. Cancelling date (Cl. 5) 30th August 2010, 23:59 hrs lt
16. Port or Place of redelivery (Cl. 15) DLOSP at one safe port, berth or anchorage WW in CHOPT always within trading limits ATDNHINC		17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) SS/DD passed without extensions	
18. Running days' notice if other than stated in Cl. 4 See Rider Clause 15.		19. Frequency of dry-docking (Cl. 10(g)) As required by class without extensions	
20. Trading limits (Cl. 6) Worldwide, excluding Israel, Cambodia, Cuba, Lebanon, Gulf of Aqaba, Namibia, North Korea, Chinese River Ports, Haiti, all war risk and war like zones and other areas/countries prohibited by the flag of the vessel and the United Nations without Owners' prior consent which shall not be unreasonably withheld. The vessel not to trade in ice, break ice nor follow ice breakers in ice.			
21. Charter period (Cl. 2) 5 years straight period +/- 30 days in Charterer's option plus 1 or 2 years optional year(s) declaration by Charterers 5 months prior end of the firm period		22. Charter hire (Cl. 11) USD 9,750 gross pdpr the first 365 days after delivery USD 10,750 gross pdpr for the 2nd charter year USD 11,750 gross pdpr for the period starting from 730th day after delivery until end of 3rd year USD 10,750 gross pdpr for 4th charter year USD 10,750 gross pdpr for 5th charter year USD 13,250 for the optional period	
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) 10%			

This document is a computer generated BARECON 2001 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

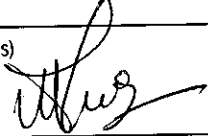
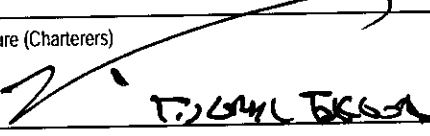
2nd original

"BARECON 2001" STANDARD BAREBOAT CHARTER

PART I

24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to <u>PART IV</u> As per Clause 10 F	25. Currency and method of payment (Cl. 11) US Dollars / Telegraphic Transfer
26. Place of payment; also state beneficiary and bank account (Cl. 11) TBA	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) Corporate Guarantee to be attached to the BBCHP as attached to the C/P
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12)	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) USD 77,000,000
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) At Owner's discretion	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) At Charterer's discretion
32. Latent defects (only to be filled in if period other than stated in Cl. 3) N/A	33. Brokerage commission and to whom payable (Cl. 27) 1% to Arrow Tankers A/S payable by the Owners
34. Grace period (state number of clear banking days) (Cl. 28) Seven (7) working days	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration <u>must</u> be stated (Cl. 30)) 30a
36. War cancellation (indicate countries agreed) (Cl. 26(f)) UK, USA, Russia, China	
37. Newbuilding Vessel (indicate with "yes" or "no" whether <u>PART III</u> applies) (optional) N/A	38. Name and place of Builders (only to be filled in if <u>PART III</u> applies) N/A
39. Vessel's Yard Building No. (only to be filled in if <u>PART III</u> applies) N/A	40. Date of Building Contract (only to be filled in if <u>PART III</u> applies) N/A
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) N/A b) N/A c) N/A	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether <u>PART IV</u> applies) (optional) As per Rider Clause 13	43. Bareboat Charter Registry (indicate with "yes" or "no" whether <u>PART V</u> applies) (optional) No
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if <u>PART V</u> applies) N/A	45. Country of the Underlying Registry (only to be filled in if <u>PART V</u> applies) N/A
46. Number of additional clauses covering special provisions, if agreed Rider Clauses 1-20	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) 	Signature (Charterers) 
-----------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------

This document is a computer generated BARECON 2001 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

2nd original
PART I

"BARECON 2001" STANDARD BAREBOAT CHARTER

1

PART II
"BARECON 2001" Standard Bareboat Charter

1. Definitions	1	day on which the Vessel should be ready, give notice	72
In this Charter, the following terms shall have the	2	thereof to the Charterers asking whether they will	73
meanings hereby assigned to them:	3	exercise their option of cancelling, and the option must	74
"The Owners" shall mean the party identified in <u>Box 3</u> ;	4	then be declared within one hundred and sixty-eight	75
"The Charterers" shall mean the party identified in <u>Box 4</u> ;	5	(168) running hours of the receipt by the Charterers of	76
"The Vessel" shall mean the vessel named in <u>Box 5</u> and	6	such notice or within thirty-six (36) running hours after	77
with particulars as stated in <u>Boxes 6</u> to <u>12</u> .	7	the cancelling date, whichever is the earlier. If the	78
"Financial Instrument" means the mortgage, deed of	8	Charterers do not then exercise their option of cancelling,	79
covenant or other such financial security instrument as	9	the seventh day after the readiness date stated in the	80
annexed to this Charter and stated in <u>Box 28</u> .	10	Owners' notice shall be substituted for the cancelling	81
		date indicated in <u>Box 15</u> for the purpose of this <u>Clause 5</u> .	82
2. Charter Period	11	(c) Cancellation under this <u>Clause 5</u> shall be without	83
In consideration of the hire detailed in <u>Box 22</u> ,	12	prejudice to any claim the Charterers may otherwise	84
the Owners have agreed to let and the Charterers have	13	have on the Owners under this Charter.	85
agreed to hire the Vessel for the period stated in <u>Box 21</u>	14		
("The Charter Period").	15		
3. Delivery	16	6. Trading Restrictions	86
(not applicable when Part III applies, as indicated in <u>Box 37</u>)	17	The Vessel shall be employed in lawful trades for the	87
(a) The Owners shall before and at the time of delivery	18	carriage of suitable lawful merchandise within the trading	88
exercise due diligence to make the Vessel seaworthy	19	limits indicated in <u>Box 20</u> .	89
And in every respect ready in hull, machinery and	20	The Charterers undertake not to employ the Vessel or	90
equipment for service under this Charter.	21	suffer the Vessel to be employed otherwise than in	91
The Vessel shall be delivered by the Owners and taken	22	conformity with the terms of the contracts of insurance	92
over by the Charterers at the port or place indicated in	23	(including any warranties expressed or implied therein)	93
<u>Box 13</u> in such ready safe berth as the Charterers may	24	without first obtaining the consent of the insurers to such	94
direct.	25	employment and complying with such requirements as	95
(b) The Vessel shall be properly documented on	26	to extra premium or otherwise as the insurers may	96
delivery in accordance with the laws of the flag State	27	prescribe. When required by Owner, the Charterers	97
indicated in <u>Box 5</u> and the requirements of the	28	shall keep the Owners and Mortgages advised on	
classification society stated in <u>Box 10</u> . The Vessel upon	29	intended employment of Vessel.	98
delivery shall have her survey cycles up to date and	30	The Charterers also undertake not to employ the Vessel	99
trading and class certificates valid for at least the number	31	or suffer her employment in any trade or business which	100
of months agreed in <u>Box 12</u> .	32	is forbidden by the law of any country to which the Vessel	101
(c) The delivery of the Vessel by the Owners and the	33	may sail or is otherwise illicit or in carrying illicit or	102
taking over of the Vessel by the Charterers shall	34	prohibited goods or in any manner whatsoever which	103
constitute a full performance by the Owners of all the	35	may render her liable to condemnation, destruction,	104
Owners' obligations under this <u>Clause 3</u> , and thereafter	36	seizure or confiscation.	105
the Charterers shall not be entitled to make or assert	37	Notwithstanding any other provisions contained in this	106
any claim against the Owners on account of any	38	Charter it is agreed that nuclear fuels or radioactive	107
conditions, representations or warranties expressed or	39	products or waste are specifically excluded from the	108
implied with respect to the Vessel but the Owners shall	40	cargo permitted to be loaded or carried under this	109
be liable for the cost of but not the time for repairs or	41	Charter. This exclusion does not apply to radio-isotopes	110
renewals occasioned by latent defects in the Vessel,	42	used or intended to be used for any industrial,	111
her machinery or appurtenances, existing at the time of	43	commercial, agricultural, medical or scientific purposes	112
delivery under this Charter, provided such defects have	44	provided the Owners' prior approval has been obtained	113
manifested themselves within twelve (12) months after	45	to loading thereof.	
delivery unless otherwise provided in <u>Box 32</u> .	46		
4. Time for Delivery	47	7. Surveys on Delivery and Redelivery	114
(not applicable when Part III applies, as indicated in <u>Box 37</u>)	48	(not applicable when Part III applies, as indicated in <u>Box 37</u>)	115
The Vessel shall not be delivered before the date	49	The Owners and Charterers shall each appoint	116
indicated in <u>Box 14</u> without the Charterers' consent and	50	surveyors for the purpose of determining and agreeing	117
the Owners shall exercise due diligence to deliver the	51	in writing the condition of the Vessel at the time of	118
Vessel not later than the date indicated in <u>Box 15</u> as per	52	delivery and redelivery hereunder. The Owners shall	119
<u>Box 18</u> .		bear all expenses of the On-hire Survey including loss	120
Unless otherwise agreed in <u>Box 18</u> , the Owners shall	53	of time, if any, and the Charterers shall bear all expenses	121
give the Charterers not less than thirty (30) running days'	54	of the Off-hire Survey including loss of time, if any, at	122
preliminary and not less than fourteen (14) running days'	55	the daily equivalent to the rate of hire or pro rata thereof.	123
definite notice of the date on which the Vessel is	56		
expected to be ready for delivery.	57	8. Inspection	124
The Owners shall keep the Charterers closely advised	58	The Owners shall have the right at any time after giving	125
of possible changes in the Vessel's position.	59	reasonable notice to the Charterers to inspect or survey	126
5. Cancelling	60	the Vessel or instruct a duly authorised surveyor to carry	127
(not applicable when Part III applies, as indicated in <u>Box 37</u>)	61	out such survey on their behalf: - provided it does not	128
(a) Should the Vessel not be delivered latest by the	62	interfere with the operation of the Vessel a/o crew,	
cancelling date indicated in <u>Box 15</u> , the Charterers shall	63	but not to be unreasonably withheld.	129
have the option of cancelling this Charter by giving the	64	(a) to ascertain the condition of the Vessel and satisfy	130
Owners notice of cancellation within thirty-six (36)	65	themselves that the Vessel is being properly repaired	131
running hours after the cancelling date stated in <u>Box</u>	66	and maintained. The costs and fees for such inspection	132
<u>15</u> , failing which this Charter shall remain in full force	67	or survey shall be paid by the Owners unless the Vessel	133
and effect.	68	is found to require repairs or maintenance in order to	134
(b) If it appears that the Vessel will be delayed beyond	69	achieve the condition so provided;	135
the cancelling date, the Owners may, as soon as they	70	(b) in dry-dock if the Charterers have not dry-docked	136
are in a position to state with reasonable certainty the	71	Her in accordance with <u>Clause 10(g)</u> . The costs and fees	137
		for such inspection or survey shall be paid by the	138
		Charterers; and	139
		(c) for any other commercial reason they consider	140
		necessary (provided it does not unduly interfere with	

PART II
"BARECON 2001" Standard Bareboat Charter

the commercial operation of the Vessel). The costs and fees for such inspection and survey shall be paid by the Owners.	141	or authority thereof, to enable the Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous waters of any country, state or municipality in performance of this Charter without any delay. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof.	205
All time used in respect of inspection, survey or repairs shall be for the Charterers' account and form part of the Charter Period.	142	The Charterers shall make and maintain all arrangements by bond or otherwise as may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to do so.	206
The Charterers shall also permit the Owners to inspect the Vessel's log books whenever requested and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel.	143	(b) <u>Operation of the Vessel</u> - The Charterers shall at their own expense and by their own procurement man, victual, navigate, operate, supply, fuel and, whenever required, repair the Vessel during the Charter Period and they shall pay all charges and expenses of every kind and nature whatsoever incidental to their use and operation of the Vessel under this Charter, including annual flag State fees and any foreign general municipality and/or state taxes. The Master, officers and crew of the Vessel shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.	207
	144	Charterers shall comply with the regulations regarding officers and crew in force in the country of the Vessel's flag or any other applicable law.	208
	145	(c) The Charterers shall keep the Owners and the mortgagee(s) advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required.	209
	146	(d) <u>Flag and Name of Vessel</u> - Charterers have the right to reflag the ship and install and display their funnel insignia and fly their own house flag, but name cannot be changed. During the Charter	210
	147	Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the Owners' consent, which shall not be unreasonably withheld, to change the flag and/or the name of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and re-registration, if required by the Owners, shall be at the Charterers' expense and time.	211
	148	(e) <u>Changes to the Vessel</u> - Subject to Clause 10(a)(ii), the Charterers shall make no structural changes in the Vessel or changes in the machinery, boilers, appurtenances or spare parts thereof without in each instance first securing the Owners' approval thereof. If the Owners so agree, the Charterers shall, if the Owners so require, restore the Vessel to its former condition before the termination of this Charter.	212
	149	(f) <u>Use of the Vessel's Outfit, Equipment and Appliances</u> - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the	213
	150		214
	151		215
9. Inventories, Oil and Stores	152		216
A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.	153		217
	154		218
	155		219
	156		220
	157		221
	158		222
	159		223
	160		224
	161		225
	162		226
	163		227
	164		228
	165		229
	166		230
	167		231
10. Maintenance and Operation	168		232
(a)(i) <u>Maintenance and Repairs</u> - During the Charter Period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect. The Charterers shall maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, except as provided for in Clause 14(l), if applicable, at their own expense they shall at all times keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times. If necessary as deemed by class, the Charterers to take immediate steps to have the necessary repairs done within a reasonable time (prior to or upon SS-drydocking) failing which the Owners shall have the right of withdrawing the Vessel from the service of the Charterers and without prejudice to any claim the Owners may otherwise have against the Charterers under this Charter.	169		233
	170		234
	171		235
	172		236
	173		237
	174		238
	175		239
	176		240
	177		241
	178		242
	179		243
	180		244
	181		245
	182		246
			247
			248
			249
			250
			251
			252
			253
			254
			255
			256
			257
			258
			259
			260
			261
			262
			263
			264
			265
			266
			267
			268
			269
			270
			271
			272
			273
			274
			275
			276
(ii) <u>New Class and Other Safety Requirements</u> - In the event of any improvement, structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation costing (excluding the Charterers' loss of time) more than the percentage stated in Box 23, or if Box 23 is left blank, 5 per cent. of the Vessel's insurance value as stated in Box 29, then the extent, if any, to which the rate of hire shall be varied and the ratio in which the cost of compliance shall be shared between the parties concerned in order to achieve a reasonable distribution thereof as between the Owners and the Charterers having regard, inter alia, to the length of the period remaining under this Charter shall, in the absence of agreement, be referred to the dispute resolution method agreed in Clause 30.	183		
	184		
	185		
	186		
	187		
	188		
	189		
	190		
	191		
	192		
	193		
	194		
	195		
	196		
	197		
	198		
	199		
	200		
(iii) <u>Financial Security</u> - The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required by any government, including federal, state or municipal or other division	201		
	202		
	203		
	204		

PART II

“BARECON 2001” Standard Bareboat Charter

Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.	277	themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in <u>Box 28</u> and that they shall not agree to any amendment of the mortgage(s) referred to in <u>Box 28</u> or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	345
(g) <u>Periodical Dry-Docking</u> - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than once during the period stated in <u>Box 19</u> or, if <u>Box 19</u> has been left blank, every sixty (60) calendar months after delivery or such other period as may be required by the Classification Society or flag State.	278	*) (Optional, <u>Clauses 12(a)</u> and <u>12(b)</u> are alternatives; indicate alternative agreed in <u>Box 28</u>).	346
	279		347
	280		348
	281		349
	282		350
	283		351
	284		352
	285		353
	286		354
	287		355
	288		356
	289		
11. Hire	290	13. Insurance and Repairs	357
(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.	291	(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be un-reasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and The Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.	358
(b) Payment of hire shall be made as per daily hire in <u>Box 22</u> basis per calendar month in advance. First hire payable prorata upto end of the month starting from vessel's actual delivery date/time. The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in <u>Box 22</u> which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.	292	The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	359
(c) Payment of hire shall be made in cash without discount in the currency and in the manner indicated in <u>Box 25</u> and at the place mentioned in <u>Box 26</u> .	293	All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to <u>Clause 3(c)</u> above, including any deviation, shall be for the Charterers' account.	360
(d) Final payment of hire, if for a period of less than thirty (30) running days a month, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.	294	(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in <u>Box 30</u> and <u>Box 31</u> , respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	361
(e) Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.	295	(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.	362
(f) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in <u>Box 24</u> . If <u>Box 24</u> has not been filled in, the three months Interbank offered rate in London (LIBOR or its successor) for the currency stated in <u>Box 25</u> , as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.	296	(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.	363
(g) Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.	297	(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may	364
	298		365
	299		366
	300		367
	301		368
	302		369
	303		370
	304		371
	305		372
	306		373
	307		374
	308		375
	309		376
	310		377
	311		378
	312		379
	313		380
	314		381
	315		382
	316		383
	317		384
	318		385
	319		386
	320		387
	321		388
	322		389
	323		390
	324		391
	325		392
	326		393
	327		394
	328		395
12. Mortgage	329		396
(only to apply if <u>Box 28</u> has been appropriately filled in)	330		397
*) (a) The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	331		398
*) (b) The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted	332		399
	333		400
	334		401
	335		402
	336		403
	337		404
	338		405
	339		406
	340		407
	341		408
	342		409
	343		410
	344		411
			412
			413
			414
			415
			416
			417
			418

PART II

“BARECON 2001” Standard Bareboat Charter

be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.	419	distribute the moneys between themselves and the Charterers according to their respective interests.	493
(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in <u>Box 29</u> .	420	(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.	494
14. Insurance, Repairs and Classification	421	(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.	495
<i>(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).</i>	422	(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in <u>Box 29</u> .	496
(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.	423	(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in <u>Box 10</u> and maintain all other necessary certificates in force at all times.	497
(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.	424		498
(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.	425	15. Redelivery	514
(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.	426	At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in <u>Box 16</u> , in such ready safe berth as the Charterers Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than 5/3/2/1 fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in the Vessel's position shall be notified immediately to the Owners. The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in <u>Box 22</u> plus 10 per cent. or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply. Subject to the provisions of <u>Clause 10</u> , the Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted. The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in <u>Box 17</u> .	515
(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	427		516
(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to <u>Clause 3</u> above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period. The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.	428		517
(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in <u>Box 30</u> and <u>Box 31</u> , respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	429		518
(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall	430		519
	431		520
	432		521
	433		522
	434		523
	435		524
	436		525
	437		526
	438		527
	439		528
	440		529
	441		530
	442		531
	443		532
	444		533
	445		534
	446		535
	447		536
	448		537
	449		538
	450		539
	451		540
	452		541
	453		542
	454		543
	455		544
	456		545
	457		546
	458		547
	459		548
	460		549
	461		550
	462		551
	463		552
	464		553
	465		554
	466		555
	467		556
	468		557
	469		558
	470		559
	471		560
	472		561
	473		562
	474		563
	475		
	476		
	477		
	478		
	479		
	480		
	481		
	482		
	483		
	484		
	485		
	486		
	487		
	488		
	489		
	490		
	491		
	492		

PART II
"BARECON 2001" Standard Bareboat Charter

by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.	564 565 566 567 568 569 570 571		
Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.	572 573 574 575 576 577		
(b) If the Vessel be arrested or otherwise detained by reason of a claim or claims against the Owners, by the mortgage holder the	578 579		
Owners shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.	580 581		
In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred by the Charterers (including hire paid under this Charter) as a direct consequence of such arrest or detention.	582 583 584 585 586		
18. Lien	587		
The Owners to have a lien upon all cargoes, sub-hires and sub-freights belonging or due to the Charterers or any sub-charterers and any Bill of Lading freight for all claims under this Charter, and the Charterers to have a lien on the Vessel for all moneys paid in advance and not earned.	588 589 590 591 592 593		
19. Salvage	594		
All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.	595 596 597 598		
20. Wreck Removal	599		
In the event of the Vessel becoming a wreck or obstruction to navigation the Charterers shall indemnify the Owners against any sums whatsoever which the Owners shall become liable to pay and shall pay in consequence of the Vessel becoming a wreck or obstruction to navigation.	600 601 602 603 604 605		
21. General Average	606		
The Owners shall not contribute to General Average.	607		
22. Assignment, Sub-Charter and Sale	608		
(a) The Charterers shall not assign this Charter nor sub-charter the Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.	609 610 611 612 613		
(b) The Owners shall not sell the Vessel during the currency of this Charter except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter.	614 615 616 617 618		
23. Contracts of Carriage	619		
^{*)} (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.	620 621 622 623 624 625 626 627 628		
^{*)} (b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their	629 630 631 632 633		
		luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.	634 635 636 637 638 639
		^{*)} Delete as applicable.	640
24. Bank Guarantee	641		
(Optional, only to apply if Box 27 filled in)	642		
The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter. Corporate Guarantee to be attached to the BBCHP.	643 644 645 646		
25. Requisition/Acquisition	647		
(a) In the event of the Requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to as "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the "Requisition for Hire" whichever be the shorter.	648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666		
(b) In the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur, this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event Charter Hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition".	667 668 669 670 671 672 673 674 675 676 677		
26. War	678		
(a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.	679 680 681 682 683 684 685 686 687 688 689 690 691 692 693		
(b) The Charterers shall be at liberty to trade the Vessel in War Risk Areas and any applicable additional premium shall be for the Charterers' account, but with full indemnity to Owners in regards to ransoms/accidents/deaths or loss of cargo, Charterers to show evidence of extra premia being paid. The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be,	694 695 696 697 698 699		

PART II

"BARECON 2001" Standard Bareboat Charter

exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area.	700	Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.	774
(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.	701		775
(d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.	702		776
(e) The Charterers shall have the liberty:	703		777
(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;	704		778
(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;	705	28. Termination	779
(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.	706	(a) <u>Charterers' Default</u>	780
(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.	707	The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:	781
	708	(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual.	782
	709	Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;	783
	710	(ii) the Charterers fail to comply with the requirements of:	784
	711	(1) <u>Clause 6</u> (Trading Restrictions)	785
	712	(2) <u>Clause 13(a)</u> (Insurance and Repairs)	786
	713	provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;	787
	714	(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced.	788
	715	(b) <u>Owners' Default</u>	789
	716	If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.	790
	717	(c) <u>Loss of Vessel</u>	791
	718	This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	792
	719	(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	793
	720	(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties	794
	721		795
	722		796
	723		797
	724		798
	725		799
	726		800
	727		801
	728		802
	729		803
	730		804
	731		805
	732		806
	733		807
	734		808
	735		809
	736		810
	737		811
	738		812
	739		813
	740		814
	741		815
	742		816
	743		817
	744		818
	745		819
	746		820
	747		821
	748		822
	749		823
	750		824
	751		825
	752		826
	753		827
	754		828
	755		829
	756		830
	757		831
	758		832
	759		833
	760		834
	761		835
	762		836
	763		837
	764		838
	765		839
	766		840
	767		841
	768		842
	769		843
	770		844
	771		845
	772		846
	773		847

PART II
"BARECON 2001" Standard Bareboat Charter

prior to the date of termination and to any claim that either party might have.	848	exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	921
	849		922
29. Repossession	850		923
In the event of the termination of this Charter in accordance with the applicable provisions of <u>Clause 28</u> , the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this <u>Clause 29</u> , the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.	851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869	*) (c) This Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Contract shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	924 925 926 927 928 929 930 931
		(d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.	932
		In the case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the following shall apply:-	933 934 935 936 937 938
30. Dispute Resolution	870	(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.	939 940 941 942 943
*) (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	871 872 873 874 875 876 877	(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.	944 945 946 947 948 949 950 951 952 953 954 955 956
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	878 879 880 881	(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.	957 958 959 960 961
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901	(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.	962 963 964
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	902	(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.	965 966 967 968 969 970
In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	903 904 905 906 907	(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.	971 972 973 974
*) (b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc. in cases where neither the claim nor any counterclaim	908 909 910 911 912 913 914 915 916 917 918 919 920	(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.	975 976 977 978 979
		(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)	980
		(e) If <u>Box 35</u> in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. <u>Sub-clause 30(d)</u> shall apply in all cases.	981 982 983 984
		*) <u>Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in <u>Box 35</u>.</u>	985 986 987
		31. Notices	988
		(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, e-mail registered or recorded mail or by personal service.	989 990 991
		(b) The address including e-mail(s) of the Parties for service of such communication shall be as stated in <u>Boxes 3 and 4</u> respectively.	992 993

"BARECON 2001" Standard Bareboat Charter

OPTIONAL PART

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

(Optional, only to apply if expressly agreed and stated in Box 37)

~~1. Specifications and Building Contract~~

(a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract") as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been counter-signed as approved by the Charterers.

(b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.

(e) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred. Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

~~2. Time and Place of Delivery~~

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel

and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

~~(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon~~

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;

~~(iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.~~

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.

~~3. Guarantee Works~~

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

~~4. Name of Vessel~~

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

~~5. Survey on Redelivery~~

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of re-delivery. Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

"BARECON 2001" Standard Bareboat Charter**PART IV
HIRE/PURCHASE AGREEMENT***(Optional, only to apply if expressly agreed and stated in Box 42)***OPTIONAL
PART**

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.

In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers. The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.

The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.

The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.

The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.

"BARECON 2001" Standard Bareboat CharterOPTIONAL
PART**PART V****PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY***(Optional, only to apply if expressly agreed and stated in Box 43)***1. Definitions**

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

~~"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.~~

~~"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.~~

2. Mortgage

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

3. Termination of Charter by Default

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45. In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.

**RIDER CLAUSES TO CHARTER PARTY****M.T. "CV STEALTH "****DATED 23rd February 2010****CLAUSE 1. CANCELLATION OF BAREBOAT CHARTER:**

Owners during this charter have the right to sell the Vessel to a third party at any time hereunder with the following conditions:

- (a) Sale of the vessel to third party shall by no means affect the continuation of this charter and the new owner shall comply in full with a] I the terms and conditions of this Charter Party.
- (b) Charterers always to have the right of first refusal to buy the Vessel.
- (c) Any new owner always to be approved by Charterer, such approval shall not be unreasonably withheld.

CLAUSE 2. DRY DRY-DOCKS:

Charterers have the obligation to dry-dock the Vessel and/or to pass all surveys strictly in accordance with the rules and regulations of Vessel's Class and flag including Special Survey and Dry Dock always un-extended at Charterers cost and expenses.

CLAUSE 3. BUNKER CLAUSE:

Charterers warrant that all bunkers in accordance with herewith shall be of a quality complying 380 CST with ISO 8217 RMG 35 and with its specification for marine fuels as amended from time to time.

CLAUSE 4. CHARTERERS LIABILITIES:

Charterers hereby indemnify Owners from and again any all liabilities, claims, losses, damage, costs or expenses suffered or incurred, against Owners arising out of Charterers' negligence or failure to comply with the requirements of any government, including Federal, state or municipal or other division or authorities.

CLAUSE 5. OIL POLLUTION:

Charterers warrant that the Vessel shall have a valid P&I insurance against liability for pollution, including ITOPI/CLC obligations for an amount not less than USD One (1) billion per incident, provided, however that if the P&I Club in which the vessel entered and/or the underwriter(s)

m.t. CV STEALTH – CP dated 23rd February 2010

cease to provide Pollution Liability Coverage to such Club's Members in the amount(s) as just described then Charterers shall promptly obtain Pollution Liability Cover (both basis P&I Clubs and Additional Insurance) in the highest amount(s) then made available by any first class Underwriter.

CLAUSE 6. RISKS AND INSURANCE OF THE VESSEL:

(a) For the purpose of this Charter, "Total Loss" has the meaning given to it in Part 11, "Compulsory Acquisition" has the meaning given to it in Clause 25 above and "Major Casualty" mean a casualty to the Vessel or incident (other than a Total Loss) in respect of which the claim or aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds Five Hundred Thousand United States Dollars (US\$500,000) or the equivalents in any other currency.

(b) The Vessel shall throughout the term of this Charter be in every respect at the risk of the Charterers who shall bear all risks however arising whether of navigation operation or maintenance of the Vessel or otherwise.

(c) In addition to the insurance's referred to in Clause 13 and in this clause, the owners shall be entitled to effect and maintain for its own benefit and its own cost, innocent Owner's interest insurance for an amount to be determined by Owners in Owners' sole discretion and, for the benefit of any mortgagee or mortgagees pursuant to mortgagees indemnity insurance.

(d) The Charterers undertake throughout the term of this Charter, without prejudice to their obligation under Clause 13 above:

(i) to effect and maintain sufficient insurance on and over the Vessel in respect of hull, machinery and equipment, marine and war risks (including excess risks), protection and indemnity risks, FD and D, and oil pollution liability (if appropriate) upon such terms as shall from time to time be approved in writing by the owners and in such amounts in United States Dollars from time to time as are set out in the Schedule to these Additional Clauses in the case of hull, machinery and equipment, marine and war risks and excess risks and in the case of protection and indemnity risks and oil pollution liability, for the maximum amount obtainable from the protection and indemnity association in which the Vessel is from time to time entered;

(ii) Without prejudice to the provisions of sub-clause (i) above, Charterers shall procure and arrange at their own expense Hull and Machinery and war risks insurance's under terms not less favourable than those of Institute Time clauses Hulls edition 1.10.83 and/or as amended from time to time and Institute War and Strike Clauses Hull Time addition 1.. 10.83 with deductible not exceeding USD 225,000. Charterers shall in addition procure and maintain at their own expense full entry of the Vessel for oil pollution liabilities at the maximum amount available on the insurance market (presently such amount is equal to One Thousand Million United States Dollars (US\$ 1,000,000,000) and



m.t. CV STEALTH – CP dated 23rd February 2010

to arrange and pay for extra cover required by protection and indemnity associations for voyagers to any other country.

(iii) To effect the insurances aforesaid through first class insurance companies, underwriters and war risks associations operating in the London, American or others Insurance market and protection and indemnity associations which are members of the International Group of Protection and Indemnity Associations;

(iv) To renew the insurances aforesaid at least fourteen (14) days before the relevant policies or contracts expire and to procure that the said brokers, and any war risks and protection and indemnity association with which such insurances are effected, shall promptly confirm in writing to the Owners the terms and conditions of such renewal as and when the same occurs;

(v) Punctually to pay all premiums, calls, contributions or other sums in respect of the insurances and to produce all relevant receipts when so required by the Owners;

(vi) To procure that a loss payable clause in such form as may be required by the Owners is endorsed upon all slips, cover notes, policies, certificates of entry or other instruments of insurance issued or to be issued in respect of the insurance of the vessel;

(vii) To procure that all such instruments of insurance referred to sub-clause (iv) above are as effected through the said brokers shall be deposited with the said brokers, and that such brokers shall furnish the Owners with proforma copies and a letter or letters of undertaking in such form as may be required by the Owners;

(viii) To procure that the protection and indemnity and/or war risks associations in which the Vessel is entered shall furnish the Owners with a certified copy of the certificate of entry for the vessel and a letter or letters of undertaking in the Protection & Indemnity Association's standard wording;

(ix) To apply all such sums receivable in respect of the insurances of the Vessel as are paid to Charterers in accordance with the provisions of this Charter for the purpose of making good the loss and fully repairing the damage in respect of which such sums have been received;

(x) Not to alter any of the terms of any if the instruments of insurance referred to in sub-clause (vi) above which have been approved by the Owners and not to make, do, consent or agree to any act or omission which would or might render any such instrument or insurance invalid, void, voidable or unenforceable or render any sum payable there under repayable in whole or in part

(xi) Not without the prior written consent of the Owners to settle, compromise or abandon any claim for Total Loss or a Major casualty

m.t. CV STEALTH – CP dated 23rd February 2010

(e) Unless and until a Termination Event shall occur whereupon all insurance recoveries shall be payable to the Owners, any sums receivable in respect of the insurances effected by the Charterers pursuant to Clause 13 above and this Clause shall be payable as follows ;

- (i) there shall be paid to the Owners all sums receivable in respect of Total loss and, unless otherwise authorized by the Owners, any and every sum receivable in respect of a Major Casualty, but so that the insurance moneys received by the Owners in respect of any such Major Casualty shall be paid over to the Charterers upon the charterers furnishing evidence to Owner's underwriter's satisfaction that all loss and damage resulting from the casualty has been properly made good and repaired, and that all repair accounts and other liabilities whatsoever in connection with the casualty have been fully paid and discharged by the Charterers, provided that the insurers may with the consent of the Owners make payment on account of repairs in the course of their being effected
- (ii) all other sums receivable in respect of the insurances shall be paid to the Charterers and shall be applied by them for the purpose of making good the loss and fully repairing all damage in respect of which the insurance moneys have been received.

(f) The provisions of Clause 13 and of this Clause shall not apply to the proceeds of any additional insurance cover effected by the Owners and/or the Charterers for their own account and benefit, provided that such cover shall only be effected if and to the extent that the insurances effected by the Charterers pursuant to Clause 13 and to this Clause permit.

(g) In the event that at any time during the term of this Charter the Charterers shall not have paid the premiums in respect of the insurance cover required by this charter, the Owners shall notify the Charterers requiring rectification thereof but in any event shall be at liberty to pay such premiums or to effect, at the Charterers expense, such alternative insurance as the Owners may in their discretion determine to be necessary to protect the interests of the Owners under this Charter (and approved mortgagees if any) and the costs thereof shall be payable by the Charterers on demand and shall be recoverable as additional hire hereunder.

CLAUSE 7. INTEREST:

The Charterers shall pay on demand by the Owners interest on any sum due under this Charter and unpaid from and including the date which it fell due for payment (subject as provided below) until the date of actual payment (as well after as before judgement) at the rate per annum determined by the Owners and certified by them to the Charterers to be equal to one month London Interbank Offer Rate (LIB OR) plus 2 percent (2%) per annum~ provided always that where the Owners pay or incur any such costs, charges

m.t. CV STEALTH – CP dated 23rd February 2010

expenses claims, liabilities, losses, penalties, fines, duty, fee tax or other moneys as are stated in the Charter to be payable by the Charterers to the Owners or recoverable by the Owners from the Charterers or in respect of which the Charterers may be liable to indemnify Owners, Interest shall accrue thereon at the rate specified above from and including the date on which such cost, charge, expenses, claim, liability, loss, penalty, fine, duty, fee tax of or other money is paid or incurred by the Owners. Any such interest which is not paid when due shall be compounded at the end of such periods as the Owners may determine for so long as it remains unpaid. All payments of Interest to be made under the Charter shall accrue from day to day and be calculated on the basis of the actual number of days elapsed and a three hundred and sixty five (365) day year.

CLAUSE 8. CHARTERERS' COVENANTS:

The Charterers Covenant with the Owners undertake throughout the term of this Charter that!

- (a) they will provide the Owners with such information concerning the Vessel as the Owners may from time to time reasonable require including (without limitation) information regarding the employment, condition, geographical position and crewing of the vessel;
- (b) They will, forthwith upon becoming aware of the same, notify the owners in writing of any termination event (or event of which they are aware which, with the giving of notice and/or lapse of time would constitute a termination event);
- (c) They will obtain and promptly renew from time to time and will whenever so required promptly furnish certified copies to the Owners of all such authorizations, approvals, consents, and licenses (if any) as may be required under any applicable law or regulation to enable the Charterers to perform their obligations under this Charter or required for the validity or enforceability of this Charter, and the Charterers shall in all material respects comply with the terms of the same;
- (d) they will- (i) at any time during this charter, subject to a limit of one (1) month in ever calendar year, allow one representative of Owners, and, (ii) during the last voyage) prior to vessel' s dry dock or special survey (laden voyage), two representatives to be allowed onboard (iii) during the last round voyage (ballast and laden legs) before redelivery of the Vessel allow up to two (2) representatives of the Owners to attend on board the Vessel for general observation and inspection purposes always at the risk-and expense of the Owners provided that such observation and inspection shall not interfere with the ordinary work on board and the trading of the Vessel and subject to signing Charterers P&I Club Indemnity forms which shall be presented to them for signature upon boarding;

m.t. CV STEALTH - CP dated 23rd February 2010

(e) They will notify the Owners forthwith by telex, telefax or e-mail previously provided of:

- (1) Any accident to the Vessel or incident which is or is likely to be a Major Casualty;
- (2) Any occurrence resulting in the Vessel becoming or being likely to become a Total loss;
- (3) Any requirement or recommendation made by an insurer or classification society, or by any competent authority, which is not complied with within any time limit imposed by such insurer, classification society or authority;
- (4) Any arrest of the Vessel, or the exercise or purported exercise of any lien on the vessel or any requisition of the Vessel for hire.

(f) They will procure that at all times the Vessel is managed only by the Charterers or Charterers' associated company or such managers as shall be approved in writing by the Owners such approval not to be unreasonably withheld. In the event Charterers decide to appoint a third-party manager then Charterers shall invite Owners or their nominees to submit a quotation for the management of the Vessel;

(g) They will maintain the Vessel at all times in accordance with the requirements of (INSERT CLASS) to a standard not less than that to which the Charterers maintain the other vessels owned by the Charterers or their associated companies;

(h) That the Vessel shall remain the property of the Owners and that the Charterers shall have no rights or interest therein otherwise than as Charterers hereunder and that the Charterers shall at no time do or permit to be done any act or thing which might prejudice the rights of the Owners in and to the Vessel.

CLAUSE 9. INDEMNITY:

The Charterers shall pay to the Owners on demand, and indemnity and keep the Owners indemnified against, all costs charges, expenses, claims proceedings (whether civil or criminal)~ liabilities, losses~ penalties, fines, duties and fees (including, but not limited to reasonable, legal fees and expenses on a full indemnity basis provided that Owner's are the prevailing party on any such claim generating such legal fees and expenses) and taxes thereon suffered or incurred by the Owners arising directly or indirectly in any manner out of the possession, management control, chartering, sub-chartering, navigation, victualling, fuelling, manning, supply, insurance, use, operation, return, re-delivery, laying up or storage of or loss of or damage of the Vessel or any other vessel in the actual or disponent ownership of the Charterers or any part thereof or from any maintenance, service, modification~ repair, classification or overhaul of, or otherwise in connection with, the Vessel or such other vessel or any part thereof or any cargo carried therein, and regardless of when the same shall arise and whether or not the Vessel or other vessel or the relevant part thereof

m.t. CV STEALTH – CP dated 23rd February 2010

is in the possession or control of the Charterers; the indemnities contained in this Clause 10, and each other indemnity contained in this Charter shall survive any termination or expiry of this Charter for a period of twelve (12) months from the date thereof and any breach of, or repudiation or alleged repudiation by the Charterers or the Owners of this Charter. Charterers will cover all taxes including US freight taxes if any but excluding tax on income from Vessel's trading.

CLAUSE 10. TERMINATION EVENTS:

Each of the following events shall be a "Termination Event" for the purposes of this Charter:

- (a) The Charterers fail to make any payment on its due date or in respect of money payable on demand, (unless otherwise specifically provided) within seven (7) days from the date of such demand;
- (b) The Charterers are in breach of anyone or more of the provisions of this Charter relation to the insurance of the Vessel;
- (c) The Charterers fail to comply with any provision of this Charter other than those referred to in sub-clauses (a) and (b) above and in case of any such default which the Owners considers capable of remedy, such default continues for a period fourteen (14) days after the Owners, by notice to the Charterers, require the same to be remedied;
- (d) Any license, approval, consent authorization or registration at any time necessary for the validity, enforceability, admissibility in evidence of this Charter, or for the Charterers to comply with their obligations hereunder or in connection with the ownership or operation of the vessel is revoked, withheld or expires;
- (e) The Vessel becomes a Total Loss;
- (f) A petition is filed, or an order made, or an effective resolution passed, for the compulsory or voluntary winding-up or dissolution of the Charterers (other than the purposes of amalgamation or reconstruction in respect of which the prior written approval shall not be unreasonably withheld) or any proceedings analogous to winding-up proceedings are begun in any jurisdiction in relation to the Charterers or if the Charterers suspend payment of, or are unable to or admit inability to pay ~ their debts as they fall due or make any special arrangement or composition with their creditors generally or any class of their creditors;
- (g) As administrator, administrative receivers, receiver or trustee or similar official is appointed of or an encumbrances takes possession of, or execution or distress *is* levied upon~ the whole, or what the Owners consider a material part, of the property, assets or undertaking of the Charterers, or the Charterers apply for, or consent to, any such appointment;
- (h) The Charterers cease, or threaten to cease, to carry on their business} or dispose or threaten to dispose of what the Owners consider a material part of their property, assets or undertaking, or such a part is seized or appropriated;

m.t. CV STEALTH – CP dated 23rd February 2010

- (i) The Vessel is the subject of a Compulsory Acquisition;
- (j) It becomes impossible or unlawful for the Charterers to fulfil any of their obligations under this Charter

Each of the events specified in the above-mentioned clause shall constitute (as the case may be) a repudiatory breach or a breach of condition of this Charter by the Charterers, the occurrence of which will entitle the Owners by notice to the Charterers to terminate the chartering of the Vessel by the Charterers under this Charter, to recover amounts, to claim damages and/or to exercise any other right or remedy to which the Owners may be entitled under this Charter or at law, in equity or otherwise as a consequence of the occurrence of the termination event.

CLAUSE 11. OWNERS' RIGHTS ON A TERMINATION EVENT:

(a) If any termination even shall occur, the Owners may thereupon and at any time thereafter at their option take anyone or more of the following actions:

- (i) Take all action which the Owners may reasonably consider necessary to cure any such Termination Event and recover from Charterers all liabilities, reasonable costs and expenses or incurred by the Owners in doing so;
- (ii) By notice to the Charterers terminate the chartering of the Vessel by the Charterers under this Charter, either immediately or on such date as the Owners may specify, whereupon:

A) the Vessel shall no longer be in the possession of the Charterers, in accordance with Owner's instructions with the consent of the Owners and the Charterers shall promptly redeliver the Vessel to the Owners with all reasonable dispatch in the manner and in the condition governing redelivery as specified under this charter; and;

B) the Owners shall be entitled but not bound (and not without prejudice to the Charterers' obligation under sub-clause (A) above) to retake possession of the Vessel wherever found, irrespective of whether the Charterers, any sub-charterer or any other person may be in possession of the Vessel without being bound to give any prior notice or take any legal process and without liability to the part of the Owners, and the Charterers hereby authorize the Owners, for that purpose, to enter upon any premises where the Vessel may be located.

(b) If the Owners give notice pursuant to sub-clause (a) above to terminate the chartering of the vessel by the charterers, the charterers shall forthwith pay to the Owners all sums of money whether of hire or otherwise due and payable but unpaid under this Charter upon which the Charterers' obligation to pay hire shall cease and the Vessel shall be redelivered to the

m.t. CV STEALTH – CP dated 23rd February 2010

Owners in accordance with this Charter Party.

(c) At any time after giving notice of termination in accordance with sub-clause (a) above the Owners shall be entitled (but not bound) to sell the vessel, free of this Charter and any right or claim of whatsoever nature of the Charterers whether under this Charter or otherwise and free of any other charter or other engagement concerning her, for such price and on such terms and conditions as they may in their absolute discretion think fit.

CLAUSE 12. CONTRADICTION CLAUSE

If there happens to be a discrepancy between the "Barecon 01" as mutually agreed and amended by Owners and Charterers and the Owners additional terms, then additional terms to always supersede the CIP.

CLAUSE 13. THE CHARTER SHALL HAVE THE OPTION TO PURCHASE THE VESSEL AT THE ALTERNATIVE DATES AND PRICES SET OUT BELOW:

On the 3rd Anniversary of the delivery date for a price of USD 47 million
On the 4th Anniversary of the delivery date for a price of USD 45.5 million
On the 5th Anniversary of the delivery date for a price of USD 42 million
On the 6th Anniversary of the delivery date for a price of USD 41 million
On the 7th Anniversary of the delivery date for a price of USD 39 million

(Each of the 3rd, 4th, 5th, 6th and 7th Anniversary of the delivery date shall hereinafter be referred to as the "Purchase Option Date")

The Charterers shall give the Owners notice in writing (the "Notice") of their intention to exercise the purchase option at least 5 MONTHS prior to the relevant Purchase Option Date. On receipt of the Notice the Owners shall take all necessary steps to ensure that there is a smooth transfer of ownership of the Vessel to the Charterers on the relevant Purchase Option Date. The Owners and Charterers agree that the sale and purchase of the Vessel shall be on the terms and conditions of the standard NSF 93 form with logical amendments which the Owners and Charterers agree to conclude and sign at least 90 days prior to the relevant Purchase Option Date.



m.t. CV STEALTH – CP dated 23rd February 2010

CLAUSE 14.

MT CV Stealth shall not be delivered to Charterers before 15 April 2010 / 0001hrs Lt and Chrtrs shall have the option of cancelling this charter if the ship is not ready and at their disposal on or before 30 August 2010 / 2359hrs Lt.

CLAUSE 15.

Owners to give 30/15/10 days approximate, then 5/3/2/1 days firm notice of delivery.
Charterers to give 30/15/10 days approximate, then 5/3/2/1 days firm notice of redelivery.

CLAUSE 16.

Owners warrant to the best of their knowledge that at the time of delivery into the bareboat charter the ship is not blacklisted by the Arab Boycott League.

CLAUSE 17.

Charterers have the option to load and/or discharge and/or lighten the vessel via ship to ship transfer in accordance with the procedure set out in OCIM's 'Ship to Ship Transfer Guide'. But not more than 60 lightering days per annum.

CLAUSE 18.

Local time for laycan, GMT for hire calculation.

CLAUSE 19.

Antifouling application will be 60 months period during the next drydocking and Owners will maintain the original paint condition of entire hull of the both ships applying appropriate touch up and final coats as per NB specifications. If present BB Charterers normally apply 30 months paint, Headowners will ask present BB Charterers (AET) to apply 60 months paint when in drydock for SS. Difference in cost will be borne by new BB Charterers (GEDEN)



m.t. CV STEALTH – CP dated 23rd February 2010

CLAUSE 20.

With regard to EU Directive 2005/33/EC low Sulphur use in EU, the Charterers are seeking to get confirmation from the existing Bareboat Charterers (Messrs AET) to make the necessary applications and communications with the Class to get an extension of 8 months of the implementation date 01.01.2010.

For the Owners

A handwritten signature in black ink, appearing to be "AET", written over the text "For the Owners".

A handwritten signature in black ink, appearing to be "TJGH TOLGA", written over the text "For the Charterers".

For the Charterers

ADDENDUM NO. 1

Charter Party dated 23rd February 2010 for
M.T. "CV STEALTH"

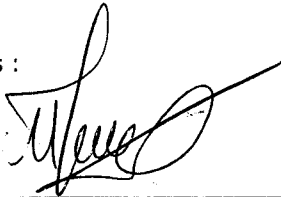
With reference to the captioned Charter Party, IT IS THIS DAY HEREBY
AGREED BETWEEN THE PARTIES TO AMMEND BARECON CHARTER PARTY AS
FOLLOWS:

Box 4 of the Barecon Charter Party should read:

"Geden Holdings Limited, Malta or nominee always guaranteed by Geden Holdings
Limited, Malta. Performance Guarantee to the satisfaction of Owners and their
financiers to be mutually agreed."

IN WITNESS WHEREOF, the parties have caused this Addendum No.1 to be
duly executed in Copenhagen on this 2nd day of June 2010.

Owners :



By : Himozia Dimareli
Title : Director

Charterers:



By : Thomas Talskov
Title : President

ADDENDUM NO. 2

Charter Party dated 23rd February 2010 for
M.T. "CV STEALTH"

With reference to the captioned Charter Party, IT IS THIS DAY HEREBY
AGREED BETWEEN THE PARTIES TO AMMEND BARECON CHARTER PARTY AS
FOLLOWS:

Box 22 of the Barecon Charter Party should read:

USD 8,750 gross pdpr for the first 365 days after delivery
USD 9,750 gross pdpr for the 2nd charter year
USD 10,750 gross pdpr for the period starting from 730th day after delivery until end
of 3rd year
USD 9,750 gross pdpr for the 4th charter year
USD 9,750 gross pdpr for the 5th charter year
USD 13,250 for the optional period.

Clause 13 of Rider Clauses:


To be deleted.

Delivery:


Delivery is agreed to be effected when inventory count is completed and agreed
between the parties onboard the vessel.

IN WITNESS WHEREOF, the parties have caused this Addendum No.2 to be
duly executed in Copenhagen on this 21st day of June 2010.

Owners :


By : Kimora Dimareli
Title : DIRECTOR

Charterers:


By : Torgun Tokon
Title : DIRECTOR

ADDENDUM NO 3

Dated **29** January 2013

**To the Bareboat Charter dated 23rd February 2010 (the "BBCP")
as amended by an Addendum No 1 dated 2nd June 2010
and by an Addendum No 2 dated 21st June 2010**

BETWEEN

Psara Energy Limited, of the Marshall Islands (the "Owners")

AND

**Space Shipping Ltd, of Malta (the "Charterers")
Geden Holdings Ltd, of Malta (as "Guarantor")**

**Relating to the charter of the crude oil carrier m/t "CV Stealth" (the "Vessel")
pursuant to the terms and conditions of the BBCP.**

With reference to the terms and conditions of the BBCP, it is hereby agreed and confirmed that:

1. The payment of a portion of the daily charter hire of an amount of USD 3,225 arising from the charter hires starting 1st December 2012 until 1st December 2013 shall be deferred. With effect from 1st December 2013 the total amount of deferred charter hires as per this clause (i.e. USD 1,177,125) shall be repaid in proportionately equal instalments until 22nd June 2015 and added to the daily charter hire.
2. Accordingly, the amount of USD 2,072 shall be added to the daily charter hire of Box 22 of the BBCP, from 1st December 2013 until 22nd June 2015.
3. In the event of default of payment by the charterers under the bareboat charters of the Maltese flagged vessel "C.S. Stealth", then such event of default shall be considered as Charterers' Default under the present BBCP.

All other terms and conditions of the BBCP and its Addenda or supplemental agreements or undertakings thereto remain unaltered and in full force and effect.



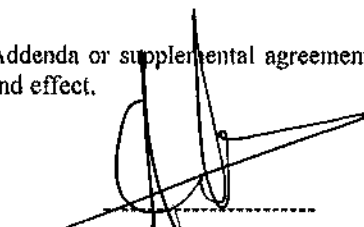
Tizian Tizian

For and on behalf of
the Charterers



Tizian Tizian

For and on behalf of
the Guarantor



For and on behalf of
the Owners

Georgios Amanatidis
Sole Director

EXHIBIT 2


Messrs.
PSARA ENERGY LIMITED
Ajeltake Road, Ajeltake Island
Majuro, MH 96960
Marshall Island

IRREVOCABLE PERFORMANCE GUARANTEE

In consideration of you, Psara Energy Limited / Marshall Island (hereinafter the "Company"), entering into a Bareboat Charterparty and MoA as per rider clause 13 of "BARECON 2001" dated 23 February 2010 and any and all subsequent addenda thereto (the "Contract") with Space Shipping Ltd / Malta (the "Charterer") as charterer and or buyer, we, subject to the provision of the paragraphs below, Geden Holdings Ltd of Malta hereby unconditionally and irrevocably guarantee as primary obligor on first demand the full and timely performance by the Charterer of all its obligations under the Contract, including, but not limited to, the punctual payment of the hire and or the purchase price of the vessel MT CV STEALTH under the Charterparty according to the Contract, providing the Charterer with sufficient funds to fulfill the Contract, due and punctual payment to you of all amounts (if any) owing by the Charterer under or pursuant to the Contract.

Upon receipt your first written demand stating (i) that the claimed amount is due to you and remains unpaid for a period of seven (7) calendar days from the due date and (ii) copies of the hire statement for the relevant period, we especially undertake to make any payment which was due to you under the above-mentioned Contract but has not been paid on the due date by the Charterers to you to your account as specified in the Contract. Such demand is to specify the amount overdue and the date it was due.

A further consideration of the provision of this guarantee is your undertaking, confirmed by your countersignature hereunder, that subject to our payment of any overdue amount under this guarantee within 7 days of receipt of your demand, you will not execute your right of withdrawal of the Vessel as per the Contract and you will refrain from arresting or otherwise detaining any of our assets.



However, in the event of any dispute between you and the Charterer in relation to:

- (1) whether the Charterers shall be liable to pay the sum to you and;
- (2) consequently whether you shall have the right to demand payment from us;

and such dispute shall have been submitted either by the Charterers or by you to Arbitration in accordance with clause 30 part II of the Contract within seven (7) calendar days from the Charterers' receipt of your demand for repayment, then we shall be entitled to withhold and defer payment until the awards is published. We shall not be obligated to make any payment to you unless the judgement orders the Charterers to make repayment. If the Charterers fails to honour the judgement within seven (7) days after that the final judgement had been rendered in the proceedings then we shall pay to you to the extent the judgement orders.

Any compliance with a demand hereunder shall be under strict reservation of, and shall not constitute a waiver of, our and the Charterer's rights in Contract and in Law.

No amendments, additions or variations to or extensions of the Contract, nor the granting of any additional time or other forbearance to the Nominee by you, nor any act or omission by you, shall release us from liability under the terms of this guarantee.

This Guarantee shall come into full force and effect upon the delivery of the same to you and shall continue in force and effect from the time when the charter period commences for a period of (7) seven years plus an additional period of further 12 months, in the case that the first option is declared by the Charterers in accordance with Box 21 Part I of the Contract, plus another additional period of further 12 months, in the case that also the second option is declared by the Charterer in accordance with Clause Box 21 Part I of the Contract, plus another additional period of further 12 months, in the case that also the third option is declared by the Charterer in accordance with Clause Box 21 Part I of the Contract. Notwithstanding the provisions hereinabove, in case we receive notification from you or from the Charterers stating that a claim covered by this Guarantee has been disputed and referred to Arbitration in accordance with the provisions of the Contract the period of validity of this Guarantee shall be extended until thirty (30) days after the final judgment shall be rendered in the proceedings. In such case, this Guarantee shall not be available unless and until such certified copy of the final awards in the Arbitration justifying your claim is presented to us or a written agreement between the parties terminating the dispute is presented to us.



EXHIBIT 3

SCHEDULE 11 – Organisational Chart

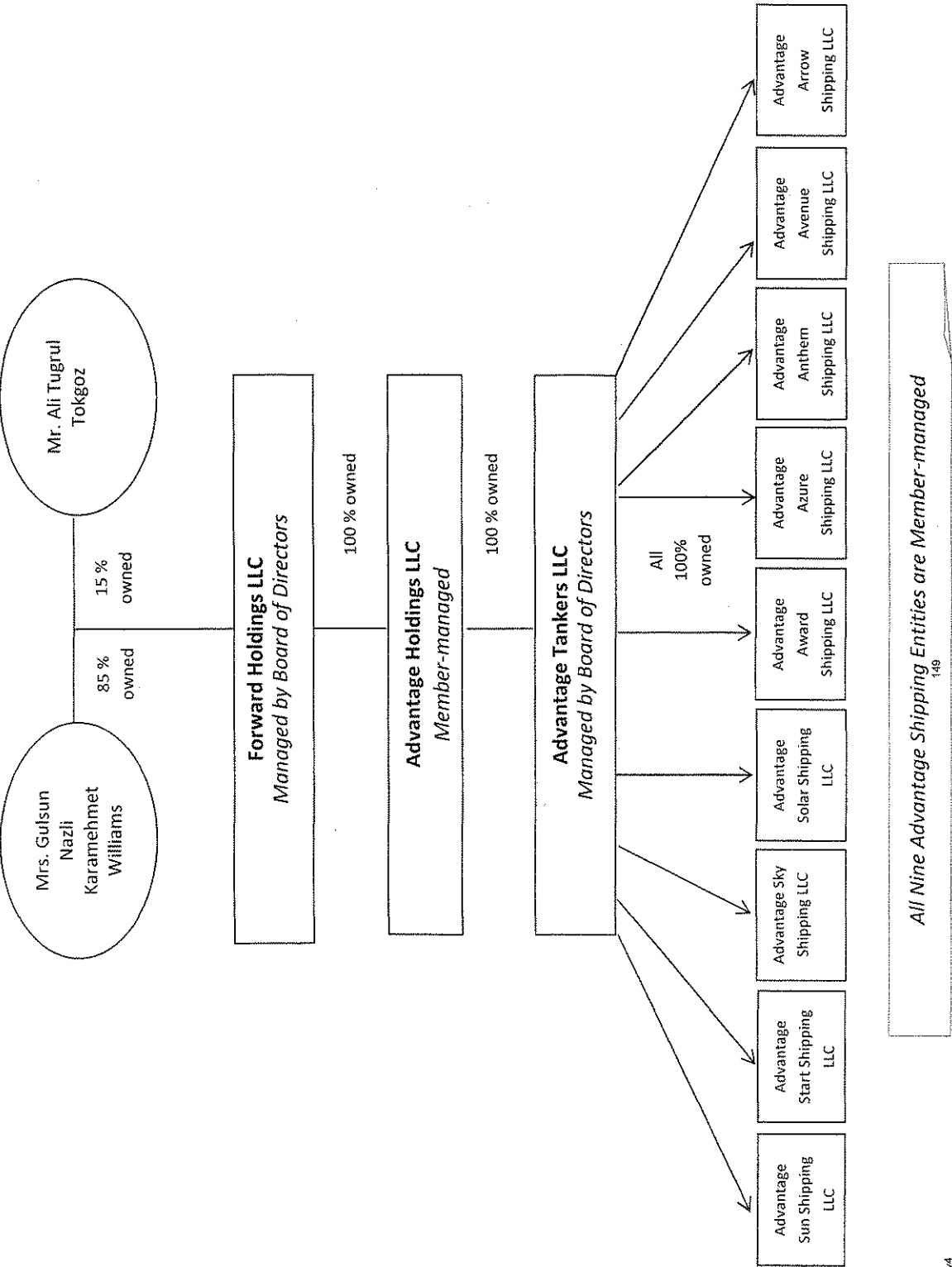


EXHIBIT 4

CONSENT LETTER

From: Geden Holdings Ltd (the "Shareholder")
85 St. John's Street, Valletta, Malta

To: Shell Western Supply and Trading Limited (the "Charterer")
Barbados

06.02. 2015

Dear Sirs

- 1 We refer to the time charter parties each dated 13 March 2012 (in the case of the vessel "Royal", dated 17 October 2012) (the "Existing Charters") and entered into between the companies listed in Annex 1 hereto as owners (the "Existing Owners") and the Charterer in respect of the vessels listed in Annex 1 hereto (the "Vessels").
- 2 As part of certain reorganisation efforts being conducted by the existing shareholders of each Existing Owner, it has been proposed that each Existing Owner will sell (the "Vessel Sales") all its title, interest to and right in its Vessel to the relevant companies listed in Annex 1 hereto as new owners (and each wholly owned by the Shareholder, the "New Owners").
- 3 Upon each Vessel Sale:
 - (a) the relevant Existing Owner will delete that Vessel from Maltese flag and the relevant New Owner will register that Vessel in its name under Marshall Islands flag;
 - (b) the relevant ship mortgage over that Vessel registered in the name of the banks and financial institutions listed in Annex 1 hereto as Existing Mortgagees shall be discharged and shall be replaced (as part of the financing and/or refinancing arrangements between that New Owner and its financiers) with a new ship mortgage s to be registered in the name of the banks and financial institutions listed in Annex 1 hereto as New Mortgagees;
 - (c) subject to the respective New Owners being acceptable to Charterer following Charterer's KYC and other relevant checks, the Existing Charters will be terminated by mutual agreement between the respective Existing Owners and Charterer and new charters (the "New Charters") will be entered into between the Charterer and the relevant New Owner on terms, inter alia, as follows:
 - (i) each New Charter shall come into effect on the time on which the relevant Vessel is delivered to, and accepted by, the relevant New Owner from the relevant Existing Owner pursuant to that Vessel Sale (the "Vessel Sale Effective Dates");
 - (ii) the duration of each New Charter shall be 5 years from the Vessel Sale Effective Date plus the optional period (3 years for aframaxs and 1 year for suezmaxs);
 - (iii) the charter hire (the "Hire") will be the aggregate of a base rate and profit sharing amount (the "PSA"). The Base Rate payable by the Charterer to the relevant New Owner shall be US\$17,500 per day other than the vessels Advantage Sun, Advantage Sky, Advantage Solar, Advantage Start whereas the base rate shall be US\$18,500 during the initial period of 24 months (the "Base Rate"); The PSA will be calculated as the monthly averages of certain trading routes as described in the relevant charter parties.

54142964v2

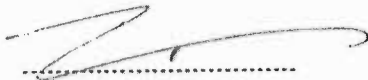
D01248

- (iv) the terms of each New Charter shall otherwise be substantially the same as the terms of its corresponding Existing Charter, save as contemplated by this paragraph 3(c) and for logical amendments.
- 4 A pro-forma of New Charter is annexed to this Letter as Annex 2.
- 5 The Shareholder confirms to the Charterer that:
- (a) It shall procure that an opinion on matters of Maltese law relating to the Title Transfers is given from Fenech & Fenech to the Charterer, in form and substance reasonably satisfactory to the Charterer, within 30 days from the date of this Letter;
 - (b) it shall provide to the Charterer promptly on reasonable request such information regarding the New Owners as the Charterer requires for KYC purposes.
- 6 The Shareholder hereby:
- (a) notifies the Charterer of its intention to complete the Vessel Sales;
 - (b) confirms that it shall keep the Charterer (i) updated of the intended dates and schedule for the completion of each Vessel Sale and (ii) notified on the date on which each Vessel Sale is completed; and
 - (c) requests that the Charterer consents to the termination of the Existing Charters and entry into the New Charters (substantially on the terms above), each to come into effect on the relevant Vessel Sale Effective Date.
 - (d) agrees to procure that upon each Vessel Sale the relevant Existing Owner executes a Memorandum of Termination with Charterer agreeing and confirming that all rights and obligations of the parties under the Existing Charter shall cease and determine with effect from the date of termination provided that this shall not affect or prejudice any claim or demand that either party may have against the other under or in connection with the Existing Charter arising before the date of termination (it being acknowledged and agreed by the Existing Owner that it shall have no claim against the Charterer for early or wrongful termination of the Charter or early redelivery of the Ship.
 - (e) agrees to procure that upon each Vessel Sale each New Owner and the respective New Mortgagee enters into a subordination and non-disturbance agreement with Charterer in a form acceptable to the Charterer and New Mortgagee.
- 7 For the avoidance of any doubt, if, due to any reason whatsoever, any of the above matters falls to be fulfilled until 30 April 2015, as a consequence the matters contained in this letter becomes null and void. The Existing Charters shall however remain valid and binding in all respects between the parties thereof.
- 8 The Charterer, by countersigning this Letter, hereby agrees and consents to the contents contained herein.

f *AK*

- 9 This Letter and any non-contractual obligations arising under or in connection with it shall be governed by English law.

Yours faithfully



For and on behalf of
GEDEN HOLDINGS LTD.

Name: Tuğrul Tokgöz
Title: Director

Agreed, consented and accepted:



For and on behalf of
SHELL WESTERN SUPPLY AND TRADING LIMITED

Name: *David Chapman*
Title: *General Manager*

ANNEX 1

VESSELS

<u>Vessel</u>	<u>Existing Owner</u>	<u>New Owner</u>	<u>Existing Mortgagee</u>	<u>New Mortgagee</u>
Profit (tbr Advantage Solar)	Profit Shipping Ltd. of Malta	Advantage Solar Shipping LLC of the Marshall Islands	DVB Bank NV	DVB Bank NV
Target (tbr Advantage Arrow)	Target Shipping Ltd. of Malta	Advantage Arrow Shipping LLC of the Marshall Islands	Norddeutsche Landesbank Girozentrale	Norddeutsche Landesbank Girozentrale
Bravo (tbr Advantage Atom)	Bravo Shipping Ltd. of Malta	Advantage Atom Shipping LLC of Bahamas	Unicredit AG	Unicredit AG
True (tbr Advantage Avenue)	True Shipping Ltd. of Malta	Advantage Avenue Shipping LLC of the Marshall Islands	Norddeutsche Landesbank Girozentrale	Norddeutsche Landesbank Girozentrale
Blue (tbr Advantage Sky)	Blue Shipping Ltd. of Malta	Advantage Sky Shipping LLC of the Marshall Islands	Commerzbank AG	Hayfin Capital Management LLP
Blank (tbr Advantage Start)	Blank Shipping Ltd. of Malta	Advantage Start Shipping LLC of the Marshall Islands	Bank of America NA	CIT Finance LLC

54142964v2

D01251

Value (tbr Advantage Award)	Value Shipping Ltd. of Malta	Advantage Award Shipping LLC of Bahamas	Unicredit AG	Unicredit AG
Power (tbr Advantage Anthem)	Barbaros Maritime Ltd. of Malta	Advantage Anthem Shipping LLC of Bahamas	Unicredit AG	Unicredit AG
Royal (tbr Advantage Sun)	Prima Shipping Ltd. of Malta	Advantage Sun Shipping LLC of the Marshall Islands	Credit Europe NV	CIT Finance LLC

↓ doc

EXHIBIT 5

Dave Chapman

1

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PSARA ENERGY, LTD.,)
Plaintiff,)

VS.) CIV. ACTION NO. 16-CV-04840

SPACE SHIPPING, LTD.;)
ADVANTAGE AVENUE)
SHIPPING, LLC; GENEL)
DENIZCILIK NAKLIYATI A.S.)
A/K/A GEDEN LINES;)
ADVANTAGE TANKERS, LLC,)
ADVANTAGE HOLDINGS, LLC;)
FORWARD HOLDINGS, LLC;)
MEHMET EMIN KARAMEHMET)
and GULSUN NAZLI)
KARAMEHMET WILLIAMS,)
Defendants.)

ORAL DEPOSITION OF
DAVE CHAPMAN
NOVEMBER 30, 2016

ORAL DEPOSITION of DAVE CHAPMAN, produced as a witness at the instance of the Plaintiff, and duly sworn, was taken in the above-styled and numbered cause on November 30, 2016, from 1:22 p.m. to 2:32 p.m., before Patricia L. Fairley, RPR, CSR in and for the State of Texas, reported by machine shorthand at the offices of DepoTexas, 13101 Northwest Freeway, Suite 210, Houston, Texas, pursuant to the Federal Rules of Civil Procedure and the provisions stated in the record or attached hereto.

Dave Chapman

2

A P P E A R A N C E S

FOR THE PLAINTIFF:

Mr. George A. Gaitas
Mr. Jonathan M. Chalos
CHALOS & CO., P.C.
7210 Tickner Street
Houston, Texas 77055
(713) 936-2427 (866) 702-4577 Facsimile
georgegaitas@chaloslaw.com
jmc@chaloslaw.com

FOR THE DEFENDANTS ADVANTAGE AVENUE SHIPPING, LLC,
ADVANTAGE TANKERS, LLC AND ADVANTAGE HOLDINGS, LLC:

Mr. Marc Matthews (Not Present)
PHELPS DUNBAR, LLP
500 Dallas Street
Suite 1300
Houston, Texas 77002
(713) 626-1386 (713) 626-1388 Facsimile
marc.matthews@phelps.com

FOR SHELL OIL COMPANY:

Mr. Marcus A. Carter
SHELL OIL COMPANY
P.O. Box 2463
Houston, Texas 77252-2463
(713) 241-1232 (713) 241-1427 Facsimile
m.carter2@shell.com

* * * * *

Dave Chapman

42

1 A. I believe that's correct.

2 Q. It was acknowledged on behalf of Shell Western?

3 A. Yes.

4 Q. And would -- would you agree with me that these
5 were binding contracts on Shell Western?

6 A. Yes, I would agree.

7 Q. And if someone told you in one of these time
8 charters that the daily rate was going to be \$50,000 a
9 day and the charter itself said 18 1/2 thousand, they
10 would be wrong? The charter party would be correct?
11 What it says in the charter would be correct?

12 A. Well, it depends upon what other agreements
13 were entered into beyond the charter party agreement.
14 You can write amendments to various agreements.

15 Q. Of course. But if -- if the charter party
16 specifies 18 1/2 thousand dollars daily rate, that would
17 be correct? These are correct documents that you were
18 signing; they were not fictitious or --

19 A. No. Those are binding documents that I signed.

20 Q. Binding and accurate?

21 A. They should be accurate.

22 Q. Truthful?

23 A. Yes. Correct.

24 Q. So I want to show you now a document,
25 Exhibit 17.

Dave Chapman

51

1 executing the document. There were people in Shell that
2 had done that work, I'm certain, because I would have
3 asked for evidence to that effect; but I wouldn't have
4 done the work myself.

5 Q. So if you look at Paragraph 2 again, "It has
6 been proposed that each Existing Owner will sell, the
7 Vessel Sales, all its title, interest to and right in
8 its Vessel to the relevant companies listed in Annex 1
9 hereto as new owners, and each wholly owned by the
10 Shareholder, the New Owners."

11 What sense does this make to you? Who owns
12 the new owners?

13 A. It says, "each wholly owned by the Shareholder,
14 the New Owner." I mean, I can't -- I can't interpret it
15 any differently than it says in the paragraph.

16 Q. Right. And would you -- would you look at the
17 very first line, please, where it says, "From" --

18 A. Yes.

19 Q. -- "Geden Holdings, Limited" --

20 A. Yes.

21 Q. -- "the Shareholder"?

22 A. Correct.

23 Q. Do you have any reason to believe -- reason to
24 believe this is -- there is anything in here that's
25 untrue or inaccurate?

Dave Chapman

52

1 A. No, I have no reason to believe that.

2 Q. Give us a minute.

3 A. Yeah, please.

4 (Discussion off the record)

5 Q. (BY MR. GAITAS) All right. Let's go back on
6 the record.

7 A. Okay.

8 Q. Or do you want to take a break?

9 A. No, I'm good. I just don't normally talk this
10 much. No one at the office lets me.

11 Q. Right. Then I'll -- I'll ask you to please
12 look at -- there's -- there's an Appendix 1 that is --
13 Annex 1 that is attached to this.

14 A. Yes.

15 Q. Do you see that?

16 A. I do see that.

17 Q. And if you -- if you go to the Consent Letter,
18 the front -- the front page --

19 A. Yes.

20 Q. -- Item 3, "Upon each Vessel Sale: the
21 relevant Existing Owner will delete the Vessel from the
22 Maltese flag and the relevant New Owner will register
23 the vessel in its name under the Marshall Islands flag."

24 A. Yes, I can see that.

25 Q. From -- from the documents that we saw before,

1 Exhibits 1 with the exception of that letter of
2 Mr. Soudant, this was done?

3 A. I presume so. I --

4 Q. If you look -- if you look at the -- if you
5 look at the Appendix 1 -- Annex 1 --

6 A. Yes.

7 Q. -- vessel PROFIT was renamed ADVANTAGE SOLAR?

8 A. Correct, and went from --

9 Q. And --

10 A. -- the Malta flag to the Marshall flag.

11 Q. -- went -- and from the charter parties you've
12 seen or if you can see, if you want to -- to look at
13 them closely, indeed, the flag changed?

14 A. I -- yes, I presume so.

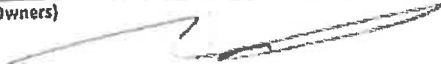

15 Q. Yeah. And from the documents we have seen
16 before, the previous exhibits, the condition of this
17 Consent Letter, (b), "the relevant ship mortgage
18 registered in the name of the banks and financial
19 institutions listed in Annex 1 hereto as Existing
20 Mortgagees shall be discharged and shall be replaced
21 with a new ship mortgage to be registered in the name of
22 the banks and financial institutions listed in Annex 1
23 hereto as New Mortgagees," again, from the documents you
24 have seen, this has taken place, has it not?

25 A. I presume so.

EXHIBIT 6

SHIP MANAGEMENT AGREEMENT		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO) STANDARD SHIP MANAGEMENT AGREEMENT CODE NAME: "SHIPMAN 98" PART I	
1. Date of Agreement 10 February 2015		Name of Vessel ADVANTAGE START	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name Advantage Start Shipping LLC		Name Genel Denizcilik Nakliyatı A.Ş.	
Place of registered office Trust Company Complex, Ajeltake Road, Ajeltake Islands, Majuro, Marshall Islands MH96960		Place of registered office Büyükdere Caddesi Yapı Kredi Plaza A Blok Kat:12 34330 Levent / İstanbul	
Law of registry MARSHALL ISLAND		Law of registry Türkiye	
4. Day and year of commencement of Agreement (Cl. 2) February 2015			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) YES		6. Technical Management (state "yes" or "no" as agreed) (Cl.3.2) YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) YES		8. Insurance Arrangements (state "yes" or "no" as agreed) Cl. 3.4 YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl.3.6) YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) YES	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3 (II)) 5 YEARS		14. Owners' Insurance (state alternative (I), (II) or (III) of Cl. 6.3) YES	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 365,000 (per annum)		16. Severance Costs (state maximum amount) (Cl. 8.4(II)) As per Crewing agreement	
17. Day and year of termination of Agreement (Cl. 17) 5 YEARS FROM DATE OF AGREEMENT		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) English Law	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication <u>to the Owners</u>) (Cl. 20) <u>operations@advantageankers.com</u>		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication <u>to the Managers</u>) (Cl. 20) Genel Denizcilik Nakliyatı A.Ş. Büyükdere Caddesi Yapı Kredi Plaza A Blok Kat:12 34330 Levent / İstanbul Fax: +90 212 283 16 04-05 Tel: +90 212 319 51 00	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew) "C" ("Initial Budget") and "D" (Associated Vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners) Signed by:  For & On behalf of the Owner TUGRUL TOKGOZ	Signature(s) (Managers) Signed by:  For & On behalf of the Manager ORHAN KARADEMİR / COO
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

PART II
"Shipman 98" Standard Ship Management Agreement

1 1. Definitions

2 In this Agreement save where the context
 3 otherwise requires, the following words and
 4 expressions shall have the meanings hereby
 5 assigned to them.

6 "Owners" means the party identified in Box 2.

7 "Managers" means the party identified in Box 3.

8 "Vessel" means the vessel or vessels details of
 9 which are set out in Annex "A" attached hereto.

10 "Crew" means the Master, officers and ratings of
 11 the numbers, rank and nationality specified in
 12 Annex "B" hereto.

13 "Crew Support Costs" means all expenses of a
 14 general nature which are not particularly
 15 referable to any individual vessel for the time
 16 being managed by the Managers and which are
 17 incurred by the Managers for the purpose of
 18 providing an efficient and economic management
 19 service and, without prejudice to the generality of
 20 the foregoing, shall include the cost of crew
 21 standby pay, training schemes for officers and
 22 ratings, cadet training schemes, sick pay, study
 23 pay, recruitment and interviews.

24 "Severance Costs" means the costs which the
 25 employers are legally obliged to pay to or in
 26 respect of the Crew as a result of the early
 27 termination of any employment contract for
 28 service on the Vessel.

29 "Crew Insurances" means insurances against crew
 30 risks which shall include but not limited to death,
 31 sickness, repatriation, injury, shipwreck
 32 unemployment indemnity and loss of personal
 33 effects.

34 "Management Services" means the services
 35 specified in sub-clauses 3.1 to 3.8 as indicated
 36 affirmatively in Boxes 5 to 12.

37 "ISM Code" means the International Management
 38 Code for the Safe Operation of Ships and for
 39 Pollution Prevention as adopted by the
 40 International Maritime Organization (IMO) by
 41 resolution A.741 (18) or any subsequent
 42 amendment thereto.

43 "STCW 95" means the International Convention
 44 on Standards of Training, Certification and
 45 Watchkeeping for Seafarers, 1978, as amended in
 46 1995 or any subsequent amendment thereto.

47 2. Appointment of Managers

48 With effect from the day and year stated in Box 4
 49 and continuing unless and until terminated as
 50 provided herein, the Owners hereby appoint the
 51 Managers, and the Managers hereby agree to act
 52 as the Managers of the Vessel.

53 3. Basis of Agreement

54 Subject to the terms and conditions herein
 55 provided, during the period of this Agreement,
 56 the Managers shall carry out Management
 57 Services in respect of the Vessel as agents for and
 58 on behalf of the Owners. The Managers shall have
 59 authority to take such actions as they may from
 60 time to time in their absolute discretion consider
 61 to be necessary to enable them to perform this
 62 Agreement in accordance with sound ship
 63 management practice.

64 3.1 Crew Management

65 (only applicable if agreed according to Box 5)

66 The Managers shall provide suitably qualified
 67 Crew for the Vessel as required by the Owners in
 68 accordance with the STCW 95 requirements,
 69 provision of which includes but is not limited to
 70 the following functions:

- 71 (i) selecting and engaging the Vessel's Crew,
 72 including payroll arrangements, pension
 73 administration, and insurances for the Crew
 74 other than those mentioned in Clause 6;
- 75 (ii) ensuring that the applicable requirements
 76 of the law of the flag of the Vessel are
 77 satisfied in respect of manning levels, rank,
 78 qualification and certification of the Crew
 79 and employment regulations including
 80 Crew's tax, social insurance, discipline and
 81 other requirements;
- 82 (iii) ensuring that all members of the Crew have
 83 passed a medical examination with a
 84 qualified doctor certifying that they are fit
 85 for the duties for which they are engaged
 86 and are in possession of valid medical
 87 certificates issued in accordance with
 88 appropriate flag State requirements. In the
 89 absence of applicable flag State
 90 requirements the medical certificate shall
 91 be dated not more than three months prior
 92 to the respective Crew members leaving
 93 their country of domicile and maintained
 94 for the duration of their service on board
 95 the Vessel;
- 96 (iv) ensuring that the Crew shall have a
 97 command of the English language of a
 98 sufficient standard to enable them to
 99 perform their duties safely;
- 100 (v) arranging transportation of the Crew,
 101 including repatriation;
- 102 (vi) training the Crew and supervising their
 103 efficiency;
- 104 (vii) conducting union negotiations;
- 105 (viii) operating the Managers' drug and alcohol
 106 policy unless otherwise agreed.

108 3.2 Technical Management

109 (only applicable if agreed according to Box 6)

110 The Managers shall provide technical
 111 management, which includes, but is not limited
 112 to, the following functions:

- 113 (i) provision of competent personnel to
 114 supervise the maintenance and general
 115 efficiency of the Vessel;
- 116 (ii) arrangement and supervision of dry
 117 dockings, repairs, alterations and the
 118 upkeep of the Vessel to the standards
 119 required by the Owners provided that the
 120 Managers shall be entitled to incur the
 121 necessary expenditure to ensure that the
 122 Vessel will comply with the law of the flag
 123 of the Vessel and of the places where she
 124 trades, and all requirements and
 125 recommendations of the classification
 126 society;

127 (iii) arrangement of the supply of necessary
 128 stores, spares and lubricating oil;
 129 (iv) appointment of surveyors and
 130 technical consultants as the
 131 Managers may consider from time to
 132 time to be necessary;
 133 (v) development, implementation and
 134 maintenance of a Safety
 135 Management System (SMS) in
 136 accordance with the ISM Code (see
 137 sub-clauses 4.2 and 5.3).
 138 (vi) development, implementation and
 139 compliance with International Port Facility
 140 Security Code (ISPS).
 141 **3.3 Commercial Management**
 142 (only applicable if agreed according to Box 7)
 143 The Managers shall provide the commercial
 144 operation of the Vessel, as required by the
 145 Owners, which includes, but is not limited to, the
 146 following functions:
 147 (i) providing chartering services in
 148 accordance with the Owners'
 149 instructions which include, but are not
 150 limited to, seeking and negotiating
 151 employment for the Vessel and the
 152 conclusion (including the execution
 153 thereof) of charter parties or other
 154 contracts relating to the employment
 155 of the Vessel. If such a contract
 156 exceeds the period stated in Box 13,
 157 consent thereto in writing shall first be
 158 obtained from the Owners.
 159 (ii) arranging of the proper payment to
 160 Owners or their nominees of all hire
 161 and/or freight revenues or other
 162 moneys of whatsoever nature to which
 163 Owners may be entitled arising out of
 164 the employment of or otherwise in
 165 connection with the Vessel.
 166 (iii) providing voyage estimates and
 167 accounts and calculating of hire,
 168 freights, demurrage and/or despatch
 169 moneys due from or due to the
 170 charterers of the Vessel;
 171 (iv) issuing of voyage instructions;
 172 (v) appointing agents;
 173 (vi) appointing stevedores;
 174 (vii) arranging surveys associated with
 175 the commercial operation of the
 176 Vessel.
 177 **3.4 Insurance Arrangements**
 178 (only applicable if agreed according to Box 8)
 179 The Managers shall arrange insurances in
 180 accordance with Clause 6, on such terms and
 181 conditions as the Owners shall have instructed or
 182 agreed, in particular regarding conditions, insured
 183 values, deductibles and franchises.
 184 **3.5 Accounting Services**
 185 (only applicable if agreed according to Box 9)
 186 The Managers shall
 187 (i) establish an accounting system which
 188 meets the requirements of the
 189 Owners and provide regular
 190

191 accounting services, supply regular
 192 reports and records,
 193 (ii) maintain the records of all costs and
 194 expenditure incurred as well as data
 195 necessary or proper for the
 196 settlement of accounts between the
 197 parties.
 198
 199 **3.6 Sale or Purchase of the Vessel**
 200 (only applicable if agreed according to Box 10)
 201 The Managers shall, in accordance with the
 202 Owners' Instructions, supervise the sale or
 203 purchase of the Vessel, including the performance
 204 of any sale or purchase agreement, but not
 205 negotiation of the same.
 206 **3.7 Provisions** (only applicable if agreed according
 207 to Box 11)
 208 The Managers shall arrange for the supply of
 209 provisions.
 210 **3.8 Bunkering** (only applicable if agreed according
 211 to Box 12) The Managers shall arrange for the
 212 provision of bunker fuel of the quality specified by
 213 the Owners as required for the Vessel's trade.
 214
 215 **4. Managers' Obligations**
 216 **4.1** The Managers undertake to use their best
 217 endeavors to provide the agreed Management
 218 Services as agents for and on behalf of the
 219 Owners in accordance with sound ship
 220 management practice and to protect and promote
 221 the interests of the Owners in all matters relating
 222 to the provision of services hereunder.
 223 Provided, however, that the Managers in the
 224 performance of their management responsibilities
 225 under this Agreement shall be entitled to have
 226 regard to their overall responsibility in relation to
 227 all vessels as may from time to time be entrusted
 228 to their management and in particular, but
 229 without prejudice to the generality of the
 230 foregoing, the Managers shall be entitled to
 231 allocate available supplies, manpower and
 232 services in such manner as in the prevailing
 233 circumstances the Managers in their absolute
 234 discretion consider to be fair and reasonable.
 235 **4.2** Where the Managers are providing Technical
 236 Management in accordance with sub-clause 3.2,
 237 they shall procure that the requirements of the
 238 law of the flag of the Vessel are satisfied and they
 239 shall in particular be deemed to be the
 240 "Company" as defined by the ISM Code, assuming
 241 the responsibility for the operation of the Vessel
 242 and taking over the duties and responsibilities
 243 imposed by the ISM Code when applicable.
 244 **5. Owners' Obligations**
 245 **5.1** The Owners shall pay all sums due to the
 246 Managers punctually in accordance with the
 247 terms of this Agreement.
 248 **5.2** Where the Managers are providing Technical
 249 Management in accordance with sub-clause 3.2,
 250 the Owners shall:
 251 (i) procure that all officers and ratings
 252 supplied by them or on their behalf comply
 253 with the requirements of STCW 95;
 254 (ii) instruct such officers and ratings to obey
 255 all reasonable orders of the Managers in

256 connection with the operation of the
 257 Managers' safety management system.
 258 5.3 Where the Managers are not providing
 259 Technical Management in accordance with sub-
 260 clause 3.2, the Owners shall procure that the
 261 requirements of the law of the flag of the Vessel
 262 are satisfied and that they, or such other entity as
 263 may be appointed by them and identified to the
 264 Managers, shall be deemed to be the "Company"
 265 as defined by the ISM Code assuming the
 266 responsibility for the operation of the Vessel and
 267 taking over the duties and responsibilities
 268 imposed by the ISM Code when applicable.
 269 6. Insurance Policies
 270 The Owners shall procure, whether by instructing
 271 the Managers under sub-clause 3.4 or otherwise,
 272 that throughout the period of this Agreement:
 273 6.1 at the Owners' expense, the Vessel is insured
 274 for not less than her sound market value or
 275 entered for her full gross tonnage, as the
 276 case may be for:
 277 (i) usual hull and machinery marine
 278 risks (including crew negligence)
 279 and excess liabilities;
 280 (ii) protection and indemnity risks
 281 (including pollution risks, and Crew
 282 Insurances); and
 283 (iii) war risks (including protection and
 284 indemnity and crew risks) in
 285 accordance with the best practice
 286 of prudent owners of vessels of a
 287 similar type to the Vessel, with first
 288 class Insurance companies
 289 underwriters or associations ("the
 290 Owners' Insurances");
 291 6.2 all premiums and calls on the Owners'
 292 Insurances are paid promptly by their due
 293 date,
 294 6.3 the Owners' Insurances name the Managers
 295 and, subject to underwriters' agreement, any
 296 third party designated by the Managers as a
 297 joint assured, with full cover, with the
 298 Owners obtaining cover in respect of each of
 299 the insurances specified in sub-clause 6.1:
 300 ~~(i) on terms whereby the Managers~~
 301 ~~and any such third party are liable~~
 302 ~~in respect of premiums or calls~~
 303 ~~arising in connection with the~~
 304 ~~Owners' Insurances or~~
 305 (ii) if reasonably obtainable, on terms
 306 such that neither the Managers nor
 307 any such third party shall be under
 308 any liability in respect of premiums
 309 or calls arising in connection with
 310 the Owners' Insurances or
 311 ~~(iii) on such other terms as may be~~
 312 ~~agreed in writing.~~
 313 Indicate alternative (i), (ii) or (iii) in Box 14. If
 314 Box 14 is left blank then (i) applies
 315 6.4 written evidence is provided, to the
 316 reasonable satisfaction of the Managers, of
 317 their compliance with their obligations under
 318 Clause 6 within a reasonable time of the
 319 commencement of the Agreement, and of
 320 each renewal date and, if specifically

321 requested, of each payment date of the
 322 Owners' Insurances.
 323 7. Income Collected and Expenses Paid on
 324 Behalf of Owners
 325 7.1 All moneys collected by the Managers under
 326 the terms of this Agreement (other than
 327 moneys payable by the Owners to the
 328 Managers) and any interest thereon shall be
 329 held to the credit of the Owners in a
 330 separate bank account.
 331 7.2 All expenses incurred by the Managers under
 332 the terms of this Agreement on behalf of the
 333 Owners (including expenses as provided in
 334 Clause 8) may be debited against the Owners
 335 in the account referred to under sub-clause
 336 7.1 but shall in any event remain payable by
 337 the Owners to the Managers on demand.
 338 8. Management Fee
 339 8.1 The Owners shall pay to the Managers for
 340 their services as Managers under this Agreement
 341 an annual management fee as stated in Box 15,
 342 which shall be payable by equal monthly
 343 instalments in advance, the first instalment being
 344 payable on the commencement of this Agreement
 345 (see Clause 2 and Box 4) and subsequent
 346 instalments being payable every month.
 347 8.2 The management fee is fixed (see Box 15) for
 348 the first two years and increasing by 5% per year
 349 thereafter.
 350 8.3 The Managers shall, at no extra cost to the
 351 Owners, provide their own office accommodation,
 352 office staff, facilities and stationery. Without
 353 limiting the generality of Clause 7 the Owners shall
 354 reimburse the Managers for postage and
 355 communication expenses, travelling expenses, and
 356 other out of pocket expenses properly incurred by
 357 the Managers in pursuance of the Management
 358 Services.
 359 8.4 In the event of the appointment of the
 360 Managers being terminated by the Owners or the
 361 Managers in accordance with the provisions of
 362 Clauses 17 and 18 other than by reason of default
 363 by the Managers, or if the Vessel is lost, sold or
 364 otherwise disposed of, the "management fee"
 365 payable to the Managers according to the
 366 provisions of sub-clause 8.1, shall continue to be
 367 payable for a further period of three calendar
 368 months as from the termination date. In addition,
 369 provided that the Managers provide Crew for the
 370 Vessel in accordance with sub-clause 3.1:
 371 (i) the Owners shall continue to pay Crew Support
 372 Costs during the said further period of three
 373 calendar months and
 374 (ii) The Owners shall pay an equitable proportion
 375 of any Severance Costs which may materialize,
 376 not exceeding the amount stated in Box 16.
 377 8.5 If the Owners decide to lay-up the Vessel
 378 whilst this Agreement remains in force and such
 379 lay-up lasts for more than three months, an
 380 appropriate reduction of the management fee for
 381 the period exceeding three months until one
 382 month before the Vessel is again put into service
 383 shall be mutually agreed between the parties.
 384 8.6 Unless otherwise agreed in writing all
 385 discounts and commissions obtained by the

386 Managers in the course of the management of the
387 Vessel shall be credited to the Owners.

388 9. Budgets and Management of Funds

389
390 9.1 The Managers shall present to the Owners
391 annually a budget for the following twelve
392 months in such form as the Owners require. The
393 budget for the first year hereof is set out in
394 Annex "C" hereto. Subsequent annual budgets
395 shall be prepared by the Managers and
396 submitted to the Owners not less than three
397 months before the anniversary date of the
398 commencement of this Agreement (see Clause 2
399 and Box 4).

400 9.2 The Owners shall indicate to the Managers
401 their acceptance and approval of the annual
402 budget within one month of presentation and in
403 the absence of any such indication the Managers
404 shall be entitled to assume that the Owners have
405 accepted the proposed budget.

406 9.3 Following the agreement of the budget, the
407 Managers shall prepare and present to the
408 Owners their estimate of the working capital
409 requirement of the Vessel and the Managers
410 shall each month update this estimate, based
411 thereon, the Managers shall each month request
412 the Owners in writing for the funds required to
413 run the Vessel for the ensuing month including
414 the payment of any occasional or extraordinary
415 item of expenditure, such as emergency repair
416 costs, additional insurance premiums, bunkers,
417 or provisions. Such funds shall be received by the
418 Managers within ten running days after the
419 receipt by the Owners of the Managers' written
420 request and shall be held to the credit of the
421 Owners in a separate bank account.

422 9.4 The Managers shall produce a comparison
423 between budgeted and actual income and
424 expenditure of the Vessel in such form as
425 required by the Owners monthly or at such other
426 intervals as mutually agreed.

427 9.5 Notwithstanding anything contained herein
428 to the contrary, the Managers shall in no
429 circumstances be required to use or commit
430 their own funds to finance the provision of the
431 Management Services.

432 10. Managers' Right to Sub-Contract

433 The Managers shall not have the right to sub-
434 contract any of their obligations hereunder,
435 including those mentioned in sub-clause 3.1
436 without the prior written consent of the Owners
437 which shall not be unreasonably withheld. In the
438 event of such a sub-contract, the Managers shall
439 remain fully liable for the due performance of
440 their obligations under this Agreement.

441 11. Responsibilities

442 11.1 Force Majeure - Neither the Owners nor
443 the Managers shall be under any liability for any
444 failure to perform any of their obligations
445 hereunder by reason of any cause whatsoever of
446 any nature or kind beyond their reasonable
447 control.

448 11.2 Liability to Owners -

449 (i)

450

451

452

453

454

455

456

457

458

459

460

461

462

463

464

465

466

467

468

469

470

471

472

473

474

475

476

477

478

479

480

481

482

483

484

485

486

487

488

489

490

491

492

493

494

495

496

497

498

499

500

501

502

503

504

505

506

507

508

509

510

511

512

513

514

Without prejudice to sub-clause 11.1, the
Managers shall be under no liability
whatsoever to the Owners for any loss,
damage, delay or expense of whatsoever
nature, whether direct or indirect,
(including but not limited to loss of profit
arising out of or in connection with
detention of or delay to the Vessel) and
howsoever arising in the course of
performance of the Management
Services UNLESS same is proved to have
resulted solely from the negligence, gross
negligence or wilful default of the
Managers or their employees, or agents
or sub-contractors employed by them in
connection with the Vessel, in which case
(save where loss, damage, delay or
expense has resulted from the Managers'
personal act or omission committed with
the intent to cause same or recklessly
and with knowledge that such loss,
damage, delay or expense would
probably result) the Managers' liability
for each incident or series of incidents
giving rise to a claim or claims shall never
exceed a total of ten times the annual
management fee payable hereunder.

(ii) Notwithstanding anything that
may appear to the contrary in this
Agreement, the Managers shall not be
liable for any of the actions of the Crew,
even if such actions are negligent, grossly
negligent or wilful, except only to the
extent that they are shown to have
resulted from a failure by the Managers
to discharge their obligations under sub-
clause 3.1, in which case their liability
shall be limited in accordance with the
terms of this Clause 11.

11.3 Indemnity - Except to the extent and solely
for the amount therein set out that the Managers
would be liable under sub-clause 11.2, the
Owners hereby undertake to keep the Managers
and their employees, agents and sub-contractors
indemnified and to hold them harmless against all
actions, proceedings, claims, demands or
liabilities whatsoever or howsoever arising which
may be brought against them or incurred or
suffered by them arising out of or in connection
with the performance of the Agreement, and
against and in respect of all costs, losses, damages
and expenses (including legal costs and expenses
on a full indemnity basis) which the Managers
may suffer or incur (either directly or indirectly) in
the course of the performance of this Agreement.
11.4 "Himalaya" - It is hereby expressly agreed
that no employee or agent of the Managers
(including every sub-contractor from time to
time employed by the Managers) shall in any
circumstances whatsoever be under any liability
whatsoever to the Owners for any loss, damage or
delay of whatsoever kind arising or resulting
directly or indirectly from any act, neglect or
default on his part while acting in the course of
or in connection with his employment and,

515 without prejudice to the generality of the
 516 foregoing provisions in this Clause 11, every
 517 exemption, limitation, condition and liberty
 518 herein contained and every right, exemption from
 519 liability, defence and immunity of whatsoever
 520 nature applicable to the Managers or to which the
 521 Managers are entitled hereunder shall also be
 522 available and shall extend to protect every such
 523 employee or agent of the Managers acting as
 524 aforesaid and for the purpose of all the foregoing
 525 provisions of this Clause 11 the Managers are or
 526 shall be deemed to be acting as agent or trustee
 527 on behalf of and for the benefit of all persons who
 528 are or might be their servants or agents from time
 529 to time (including sub-contractors as aforesaid)
 530 and all such persons shall to this extent be or be
 531 deemed to be parties to this Agreement.

532 **12. Documentation**
 533 Where the Managers are providing Technical
 534 Management in accordance with sub-clause 3.2
 535 and/or Crew Management in accordance with
 536 sub-clause 3.1, they shall make available, upon
 537 Owners' request, all documentation and records
 538 related to the Safety Management System (SMS)
 539 and/or the Crew which the Owners need in order
 540 to demonstrate compliance with the ISM Code
 541 and STCW 95 or to defend a claim against a third
 542 party.

543 **13. General Administration**
 544 **13.1** The Managers shall notify Owners of all
 545 claims arising out of the Management Services
 546 hereunder and keep the Owners informed
 547 regarding any incident of which the Managers
 548 become aware which gives or may give rise to
 549 claims or disputes involving third parties.

550 **13.2** The owners shall bring or defend actions,
 551 suits or proceedings in connection with matters
 552 entrusted to the Managers according to this
 553 Agreement.

554 **13.3** The Owners shall obtain legal or technical
 555 or other outside expert advice in relation to the
 556 handling and settlement of claims and disputes or
 557 all other matters affecting the interests respect of
 558 the Vessel.

559 **13.4** The Owners shall arrange for the provision
 560 of any necessary guarantee bond or other
 561 security.

562 **13.5** Any costs reasonably incurred by the
 563 Managers in carrying out their obligations
 564 according to Clause 13 shall be reimbursed by the
 565 Owners.

566 **14. Auditing**
 567 The Managers shall at all times maintain and keep
 568 true and correct accounts and shall make the
 569 same available for inspection and auditing by the
 570 Owners at such times as may be mutually agreed.
 571 On the termination, for whatever reasons, of this
 572 Agreement, the Managers shall release to the
 573 Owners, if so requested, the originals where
 574 possible, or otherwise certified copies, of all such
 575 accounts and all documents specifically relating to
 576 the Vessel and her operation.

577 **15. Inspection of Vessel**
 578 The Owners shall have the right at any time after
 579 giving reasonable notice to the Managers to

580 inspect the Vessel for any reason they consider
 581 necessary.

582 **16. Compliance with Laws and Regulations**
 583 The Managers will not do or permit to be done
 584 anything which might cause any breach or
 585 infringement of the laws and regulations of the
 586 Vessel's flag, or of the places where she trades.

587 **17. Duration of the Agreement**
 588 This Agreement shall come into effect on the day
 589 and year stated in Box 4 and shall continue until
 590 the date stated in Box 17. Thereafter it shall
 591 continue until terminated by either party giving to
 592 the other notice in writing, in which event the
 593 Agreement shall terminate upon the expiration of
 594 a period of two months from the date upon which
 595 such notice was given.

596 **18. Termination**
 597 **18.1 Owners' Default**
 598 (i) The Managers shall be entitled to
 599 terminate the Agreement with
 600 immediate effect by notice in writing if
 601 any moneys payable by the Owners
 602 under this Agreement and/or the owners
 603 of any associated vessel, details of which
 604 are listed in Annex "D", shall not have
 605 been received in the Managers'
 606 nominated account within ten running
 607 days of receipt by the Owners of the
 608 Manager's written request or if the
 609 Vessel is repossessed by the Mortgagees.

610 (ii) If the Owners:
 611 (a) fail to meet their obligations under
 612 clause 5.2 and 5.3 of this Agreement
 613 for any reason within their control, or
 614 (b) proceed with the employment of or
 615 continue to employ the Vessel in the
 616 carriage of contraband, blockade
 617 running, or an unlawful trade, or on a
 618 voyage which in the reasonable
 619 opinion of the Managers is unduly
 620 hazardous or improper,
 621 The Managers may give notice of the default to
 622 the Owners, requiring them to remedy it as soon
 623 as practically possible. In the event that the
 624 Owners fail to remedy it within a reasonable time
 625 to the satisfaction of the Managers, the Managers
 626 shall be entitled to terminate the Agreement with
 627 immediate effect by notice in writing.

628 **18.2 Managers' Default**
 629 If the Managers fail to meet their obligations
 630 under Clauses 3 and 4 of this Agreement for any
 631 reason within the control of the Managers, the
 632 Owners may give notice to the Managers of the
 633 default, requiring them to remedy it as soon as
 634 practically possible. In the event that the
 635 Managers fail to remedy it within a reasonable
 636 time to the satisfaction of the Owners, the
 637 Owners shall be entitled to terminate the
 638 Agreement with immediate effect by notice in
 639 writing.

640 **18.3 Extraordinary Termination**
 641 This Agreement shall be deemed to be terminated
 642 in the case of the sale of the Vessel or if the
 643 Vessel becomes a total loss or is declared as a

644 constructive or compromised or arranged total
645 loss or is requisitioned.

646 18.4 For the purpose of sub-clause 18.3 hereof

647 (i) the date upon which the Vessel is to be
648 treated as having been sold or otherwise
649 disposed of shall be the date on which the
650 Owners cease to be registered as Owners
651 of the Vessel;

652 (ii) the Vessel shall not be deemed to be lost
653 unless either she has become an actual
654 total loss or agreement has been reached
655 with her underwriters in respect of her
656 constructive, compromised or arranged
657 total loss or if such agreement with her
658 underwriters is not reached it is adjudged
659 by a competent tribunal that a
660 constructive loss of the Vessel has
661 occurred.

662 18.5 This Agreement shall terminate forthwith in
663 the event of an order being made or resolution
664 passed for the winding up, dissolution, liquidation
665 or bankruptcy of either party (otherwise than for
666 the purpose of reconstruction or amalgamation)
667 or if a receiver is appointed, or if it suspends
668 payment, ceases to carry on business or makes
669 any special arrangement or composition with its
670 creditors.

671 18.6 The termination of this Agreement shall be
672 without prejudice to all rights accrued due
673 between the parties prior to the date of
674 termination.

675 19. Law and Arbitration

676 19.1 This Agreement shall be governed by and
677 construed in accordance with English law and any
678 dispute arising out of or in connection with this
679 Agreement shall be referred to arbitration in
680 London in accordance with the Arbitration Act
681 1996 or any statutory modification or re-
682 enactment thereof save to the extent necessary
683 to give effect to the provisions of this Clause. The
684 arbitration shall be conducted in accordance with
685 the London Maritime Arbitrators Association
686 (LMAA) Terms current at the time when the
687 arbitration proceedings are commenced.

688 The reference shall be to three arbitrators. A
689 party wishing to refer a dispute to arbitration shall
690 appoint its arbitrator and send notice of such
691 appointment in writing to the other party
692 requiring the other party to appoint its own
693 arbitrator within 14 calendar days of that notice
694 and stating that it will appoint its arbitrator as
695 sole arbitrator unless the other party appoints its
696 own arbitrator and gives notice that it has done so
697 within the 14 days specified. If the other party
698 does not appoint its own arbitrator and give
699 notice that it has done so within the 14 days
700 specified, the party referring a dispute to
701 arbitration may, without the requirement of any
702 further prior notice to the other party, appoint its
703 arbitrator as sole arbitrator and shall advise the
704 other party accordingly. The award of a sole
705 arbitrator shall be binding on both parties as if he
706 had been appointed by agreement.

707 Nothing herein shall prevent the parties agreeing
708 in writing to vary these provisions to provide for
709 the appointment of a sole arbitrator.

710 In cases where neither the claim nor any
711 counterclaim exceeds the sum of USD 50,000 (or
712 such other sum as the parties may agree) the
713 arbitration shall be conducted in accordance with
714 the LMAA Small Claims Procedure current at the
715 time when the arbitration proceedings are
716 commenced.

717 ~~19.2 This Agreement shall be governed by and~~
718 ~~construed in accordance with Title 9 of the~~
719 ~~United States Code and the Maritime Law of the~~
720 ~~United States and any dispute arising out of or in~~
721 ~~connection with this Agreement shall be referred~~
722 ~~to three persons at New York, one to be~~
723 ~~appointed by each of the parties hereto, and the~~
724 ~~third by the two so chosen; their decision that of~~
725 ~~any two of them shall be final, and for the~~
726 ~~purposes of enforcing any award, judgment may~~
727 ~~be entered on an award by any court of~~
728 ~~competent jurisdiction. The proceedings shall be~~
729 ~~conducted in accordance with the rules of the~~
730 ~~Society of Maritime Arbitrators, Inc. in cases~~
731 ~~where neither the claim nor any counterclaim~~
732 ~~exceeds the sum of USD 50,000 (or such other~~
733 ~~sum as the parties may agree) the arbitration~~
734 ~~shall be conducted in accordance with the~~
735 ~~Shortened Arbitration Procedure of the Society~~
736 ~~of Maritime Arbitrators, Inc. current at the time~~
737 ~~when the arbitration proceedings are~~
738 ~~commenced.~~

739 19.3 This Agreement shall be governed by and
740 construed in accordance with the laws of the
741 place mutually agreed by the parties and any
742 dispute arising out of or in connection with this
743 Agreement shall be referred to arbitration at a
744 mutually agreed place, subject to the procedures
745 applicable there.

746 19.4 If Box 18 in Part I is not appropriately filled
747 in, sub-clause 19.1 of this Clause shall apply.
748 Note: 19.1, 19.2 and 19.3 are alternatives;
749 indicate alternative agreed in Box 18.

750 20. Notices

751 20.1 Any notice to be given by either party to the
752 other party shall be in writing and may be sent
753 by fax, telex, registered or recorded mail or by
754 personal service.

755 20.2 The address of the Parties for service of
756 such communication shall be as stated in Boxes
757 19 and 20, respectively.

ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"

NAME OF VESSEL :	ADVANTAGE START
OWNER:	ADVANTAGE START SHIPPING LLC
IMO no:	9466570
Type:	Oil Tanker
Built:	JIANGSU RONGSHEN HEAVY IND.GROUP CO.LTD - RUGAO HARBOR,NANTONG CHINA / 2011
Class:	1A1 , ' TANKER FOR OIL ESP ' CSR, SPM, EQ, VCS-2B, BIS, NAV-O, TMON
Tonnage:	83805 GT / 49031 NT
Deadweight:	156597 Metric Tonnes
LOA:	274.5 Metres
Breadth:	48 Metres
Main Engine:	6S70 MC-C MAN B&W

ANNEX "B" (DETAILS OF CREW) TO THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"

Date of Agreement : As mentioned in box 1
 Detail of Crew : 25 Crew Members in total
 Contract Duration : abt 4 months Senior Officers
 abt 5 -7 months Junior Officers,
 abt 6 months Ratings

Numbers	Rank	Nationality
1	Master	Turkish
1	Chief Officer	Turkish
1	2nd Officer	Turkish
1	3rd Officer	Turkish
1	4th Officer	Turkish
1	Extra Officer	Turkish
1	Chief Engineer	Turkish
1	2nd Engineer	Turkish
1	3rd Engineer	Turkish
1	4th Engineer	Turkish
1	Elect. Eng.	Turkish
1	Pumpman	Turkish
5	Able Seaman	Turkish
2	Ordinary Seaman	Turkish
1	Fitter	Turkish
3	Oiler	Turkish
1	Chief Cook	Turkish
1	Steward	Turkish

This complement is for standard trade. In case of Special requirements (STS, Storage etc.) the complement may be adopted accordingly.

ANNEX "C" (BUDGET) TO THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"

Date of Agreement : 10 FEBRUARY 2015

Manager's Budget for the first year with the effect from the commencement date of this agreement:

Please refer to operating Expense budget with detailed break down of the operating expenses

Estimated budget for 2015 in USD for MT ADVANTAGE START

	Budget In USD
	Per day
Crewing	4,600
Victualing	250
Luboil	500
Technical	1,200
Insurance and other miscellaneous items	1,200
G&A - inclusive of management fees	1,000
Total	8,750

Remarks:

Crewing is based on complement of 25 crew members with Turkish officers & ratings.

Luboil based on 270 seagoing days and on today's prices.

Technical expenses include all costs for stores, spares services, class for engine and deck department

General include all costs for ; communication, representations, travelling, vetting, transportation, ISM/ISPS, port expenses.

Excluding dry docking and related costs.

EXHIBIT 7

\$61,000,000 Secured Loan Agreement

Dated

16

March 2015

- (1) Advantage Sun Shipping LLC and Advantage Start Shipping LLC
(as Borrowers)**
- (2) The Financial Institutions
listed in Schedule 1
(as Original Lenders)**
- (3) CIT Finance LLC
(as Agent)**
- (4) CIT Finance LLC
(as Security Agent)**

LONLIVE\19173867.15

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH
Tel +44 20 7329 4422
Fax +44 20 7329 7100
DX No 64 Chancery Lane
www.shlegal.com



STEPHENSON HARWOOD

\$61,000,000 Secured Loan Agreement

Dated **16** March 2015

- (1) **Advantage Sun Shipping LLC and Advantage Start Shipping LLC
(as Borrowers)**
- (2) **The Financial Institutions
listed in Schedule 1
(as Original Lenders)**
- (3) **CIT Finance LLC
(as Agent)**
- (4) **CIT Finance LLC
(as Security Agent)**

LONLIVE\19173867.15

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH
Tel +44 20 7329 4422
Fax +44 20 7329 7100
DX No. 64 Chancery Lane
www.shlegal.com



STEPHENSON HARWOOD

- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"Lender" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 23 (Changes to the Lenders),

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

"LIBOR" means:

- (a) the applicable Screen Rate; or
- (b) (if (i) no Screen Rate is available for the currency of the Loan or (ii) no Screen Rate is available for the relevant Interest Period) the Reference Bank Rate,

as of 11.00 a.m. on the Quotation Day for dollars and for a period equal in length to the relevant Interest Period and, if that rate is less than zero, LIBOR shall be deemed to be zero.

"Loan" means the aggregate amount advanced or to be advanced by the Lenders to the Borrowers under Clause 2 (*The Loan*) or, where the context permits, the principal amount advanced and for the time being outstanding.

"Majority Lenders" means a Lender or Lenders whose Commitments aggregate more than 66²/₃% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66²/₃% of the Total Commitments immediately prior to the reduction).

"Management Agreement" means, for each Vessel, the agreement for the commercial and technical management of that Vessel entered into or to be entered into between the Borrower owning the Vessel and the Manager upon the terms acceptable to the Agent.

"Manager" means Genel Denizcilik Nakliyatı A.S. in its capacity as both the commercial and technical manager of each Vessel under a Management Agreement and as corporate administrator of each Borrower and the Guarantor under an Administration Agreement or such other commercial and/or technical manager of each Vessel or corporate administrator of each Borrower and the Guarantor nominated by the relevant Borrower as the Agent may approve.

"Manager's Undertakings" means the written undertakings of the Manager whereby, throughout the Facility Period unless otherwise agreed by the Agent:

- (a) it will remain the commercial and technical managers of the Vessels and the corporate administrator of the Borrowers and the Guarantor;
- (b) it will not, without the prior written consent of the Agent, subcontract or delegate the commercial or technical management of the Vessels (as the case may be) or the corporate administration of the Borrowers and the Guarantor to any third party;
- (c) the interests of the Manager in the Insurances will be assigned to the Security Agent with first priority; and
- (d) all claims of the Manager against the Borrowers shall be subordinated to the claims of the Finance Parties under the Finance Documents.

"Margin" means, in respect of each Tranche three point seven five (3.75%) per cent per annum.

"Material Adverse Effect" means in the reasonable opinion of the Majority Lenders a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of any Security Party; or
- (b) the ability of any Security Party to perform its obligations under any Finance Document; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Encumbrance granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

"Maximum Loan Amount" means \$61,000,000.

"Maximum Tranche Amount" means the lesser of (a) \$30,500,000 and (b) 60.00% of the Fair Market Value of the relevant Vessel in respect of each Tranche (evidenced by the valuations received by the Agent under Clause 4.1 (*Initial conditions precedent*)).

"MoA" means in relation to each Borrower, a memorandum of agreement entered into between it and the relevant Seller on the terms and conditions of which the relevant Vessel is transferred into the ownership of that Borrower.

"Mortgages" means the first preferred mortgages referred to in Clause 17.1.1 (*Security Documents*) and **"Mortgage"** means any one of them.

"New Lender" has the meaning given to that term in Clause 23.1 (*Assignments and transfers by the Lenders*).

"Non-Consenting Lender" has the meaning given to that term in Clause 34.4.4 (*Replacement of Lender*).

"OFAC" means the Office of Foreign Assets Control of the United States Department of Treasury.

Signatures

The Borrowers

Advantage Sun Shipping LLC

By:

Address: Yapi Kredi Plaza, A Blok Kat 15,
Levent, Istanbul, Turkey

Fax no.: +902123255814

Department/Officer: Mehmet Mat



MEHMET MAT

Advantage Start Shipping LLC

By:

Address: Yapi Kredi Plaza, A Blok Kat 15,
Levent, Istanbul, Turkey

Fax no.: +902123255814

Department/Officer: Mehmet Mat



MEHMET MAT

The Agent:

CIT Finance LLC

By:

Address: 11 West 42nd Street, New York,
New York 10036, USA

Fax no.: +1 212 771 1095

Department/Officer: Chief Credit Officer,
Maritime

and with respect to insurance matters only,
with a copy to:

Address: CIT Group Inc., 1 CIT Drive,
Livingston, NJ 07039, USA

Fax No.: +1 973 535 3767

E-mail: InsuranceRenewals@CIT.com

Department: Corporate Insurance

EXHIBIT 8

GEDEN HOLDINGS LTD.

85 St. John's Street, Valletta, Malta
Tel: 0090 212 319 51 00 – Fax : 0090 212 325 58 14

Messrs.
PSARA ENERGY LIMITED
Ajeltake Road, Ajeltake Island
Majuro, MH 96960
Marshall Island

04. March. 2010

We hereby confirm that Geden Holdings Ltd., Malta is the Holding Company for all single purpose companies which owns one vessel each. The borrowers for the bank loans are SPCs, not Geden Holdings Ltd., Malta. Geden Holdings Ltd., Malta is the guarantor for the bank loans.

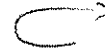
GEDEN HOLDINGS LTD of MALTA


Tegen Tokor

EXHIBIT 9



Enterprise Improvement



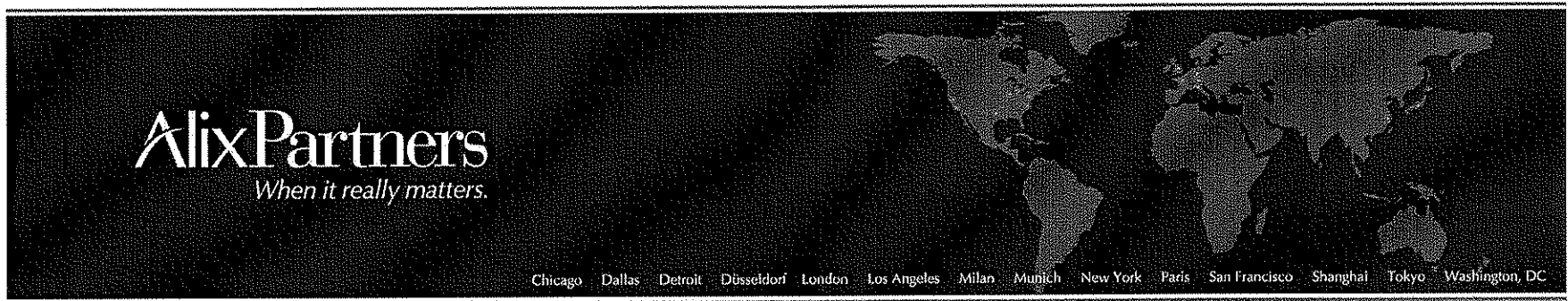
Corporate Turnaround
and Restructuring



Financial Advisory
Services

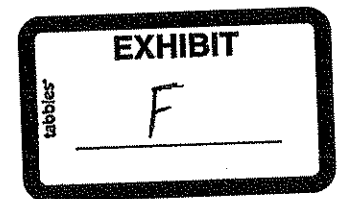


Information Management
Services



Project Hermitage Restructuring

March 6 2013



DEKABANK copy, March 6 2013

www.alixpartners.com

Important Disclaimer

This report ("Report") was prepared by AlixPartners UK LLP ("AlixPartners") exclusively for the sole benefit and internal use of GENEL Denizcilik Nakliyatı A.S. – GEDEN Lines (the "Company") pursuant to a client relationship between AlixPartners and the Company stipulated in the agreement for the provision of consulting services dated 22 November 2012 (the "Engagement Letter"). THIS REPORT IS NOT INTENDED TO BE RELIED UPON BY ANYONE OTHER THAN THE COMPANY, OR INDUCE ACTION OR FORBEARANCE BY ANYONE OTHER THAN THE COMPANY. This Report is strictly confidential and subject to the confidentiality provisions of the Engagement Letter.

The addressee of the Report is the Company. The Report may be made available to the following lenders: HSH Nordbank AG, DVB SE, Dekabank, Commerzbank AG, Bremer Landesbank, Norddeutsche Landesbank, Lloyds TSB Bank Plc, Natixis, Santander (the "Lenders") on a strict non-reliance basis only and subject to the provisions of this disclaimer. By taking receipt of this Report, the Lenders accept and agree to the non-reliance limitation set forth in the preceding sentence and the other provisions in this disclaimer. No other person other than the Company and the Lenders is authorized to have access to this Report, unless he has received AlixPartners' prior written consent and has signed and returned to AlixPartners an acceptable non-reliance report letter.

Should any unauthorized person obtain access to and read this Report, such person accepts and agrees to the following terms:

1. The unauthorized reader of this Report understands that the work performed by AlixPartners was performed in accordance with the instructions provided by the Company and was performed exclusively for the Company's sole benefit and internal use.
2. The unauthorized reader of this Report acknowledges that this Report was prepared at the direction of the Company and may not include all procedures deemed necessary for the purposes of the unauthorized reader.
3. The unauthorized reader agrees that AlixPartners, its partners, employees and agents neither owe nor accept any duty or responsibility to the unauthorized reader, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by any use the unauthorized reader may choose to make of this Report, or which is otherwise consequent upon the gaining of access to the Report by the unauthorized reader. Further, the unauthorized reader agrees that this Report is not to be referred to or quoted, in whole or in part, in any prospectus, registration statement, offering circular, public filing, loan, other agreement or document, and this Report is not to be distributed without AlixPartners prior written.

Important Disclaimer

The information contained in this Report is based upon financial and other data provided to AlixPartners and the representation made to AlixPartners by the management and staff of the Company. AlixPartners further relied on the assurance of management and staff of the Company that they were unaware of any facts that would make the information provided to AlixPartners incomplete or misleading. In preparing the Report, AlixPartners has assumed, without any independent verification, the accuracy and completeness of all information received from the Company, available from public sources, or which was otherwise provided to us. AlixPartners is not responsible whatsoever for any misrepresentations made to AlixPartners during the course of its review. AlixPartners has not subjected the information contained herein to an examination in accordance with generally accepted auditing or attestation standards.

Accordingly, AlixPartners cannot and does not express an opinion on the financial information and does not assume any responsibility for the accuracy or correctness of the projected financial or other data, information and assessments upon which the enclosed document is presented. AlixPartners expresses no view as to the accuracy, completeness or likelihood of the Company's business plan, scenarios, projections or forecasts contained in this Report.

The recipients of the Report, including the Lenders, accept that they will make their own investigation, analysis and decision relating to the possible or actual transaction/financing/credit relationship and/or matter related to such and will not use or rely upon this Report to form the basis of any such decisions. The Report cannot in any way serve as a substitute for inquiries and procedures which the Lenders will or should be undertaking for the purposes of satisfying themselves regarding the Client's business or financial position or for any other purpose in connection with the Lenders' relationship or transaction with the Client.

AlixPartners makes no representation or warranty regarding any actions the Lenders may or may not take in reliance on or in reference to matters presented in the Report. The Lenders accept and agree that AlixPartners, its affiliates, members, officers, partners, employees and agents (the "AlixPartners Entities") neither owe nor accept any duty or responsibility to the Lenders, whether in contract or in tort (including without limitation, negligence and breach of duty of any sort) or however otherwise arising. Any reliance the Lenders choose to place on the information or the Report is a matter of their judgment exclusively and at their own risk. Accordingly, no liability or responsibility whatsoever is accepted by the AlixPartners Entities for any loss howsoever arising from any use of, or in connection with, the Report.

The information in this Report is non-public and considered strictly confidential by the Company and AlixPartners.

Important Disclaimer

This Report includes analyses of the Company's financial projections. These projections may be based, in whole or in part, on projections or forecasts of future events. A forecast, by its nature, is speculative and includes estimates and assumptions which may prove to be wrong. Actual results may, and frequently do, differ from those projected or forecast. Those differences may be material. Items which could impact actual results include, but are not limited to, unforeseen micro- or macro-economic developments, business or industry events, personnel changes, casualty losses, or the inability of the Company to implement plans or programs. The projections are also based upon numerous assumptions, including business, economic and other market conditions. Many of these assumptions are beyond the control of the Company and are inherently subject to substantial uncertainty. Such assumptions involve significant elements of subjective judgment, which may or may not prove to be accurate, and consequently, no assurances can be made regarding the analyses or conclusions derived from financial information based upon such assumptions.

The report is incomplete without reference to, and should be viewed solely in connection with, the oral briefing provided by AlixPartners which forms part of the Report.

The information in the Report reflects conditions and the views of AlixPartners as of this date, all of which are subject to change. AlixPartners undertakes no obligation to update or provide any revisions to the Report to reflect events, circumstances or changes that occur after the date the Report was prepared.

To the extent that any of the AlixPartners Entities provide any recipient of this Report with an oral presentation or explanations in relation to the Report or Client, the recipient of this Report acknowledges that such presentation and explanation will be given subject to the same terms and conditions as those specified in this disclaimer.

Neither the Report nor any of its contents may be copied, reproduced, disseminated, quoted or referred to in any presentation, agreement or document, with or without attribution to AlixPartners, at any time or in any manner other than for the internal use of the Company, without the express, prior written consent of AlixPartners.

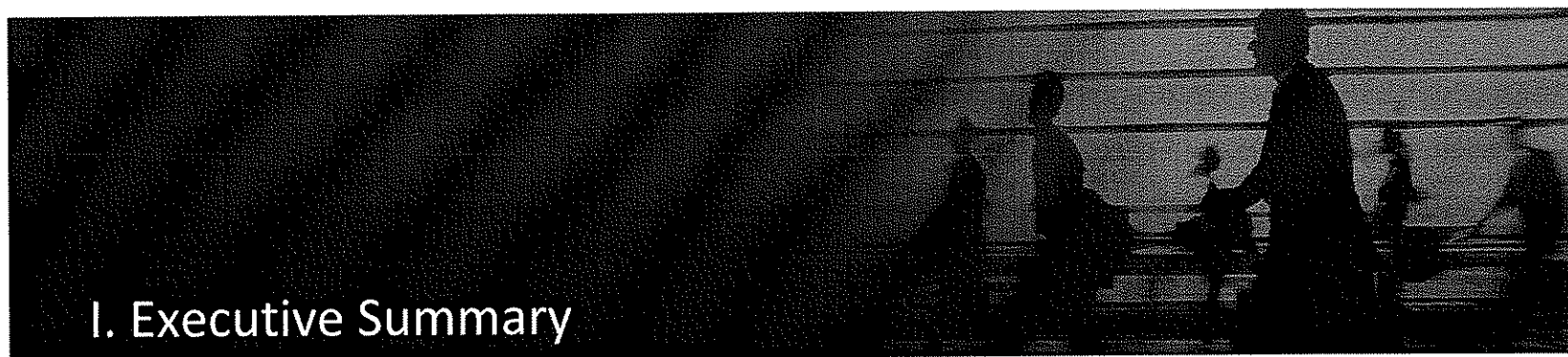


Contents

- I. Executive Summary / Remarks from the Company
- II. Background
- III. Restructuring Proposal
- IV. Financial Analysis
- V. Conclusions

DEKABANK copy⁵ March 6 2013

AlixPartners



I. Executive Summary

DEKASANK copy, March 6 2013⁶

AlixPartners

Executive Summary

- ▶ The November 20 Proposal provides the basis for a formal or informal standstill period during which the Company can develop, negotiate and implement a structure providing a viable long term solution
- ▶ The November 20 Proposal has shown to be effective as an interim measure providing liquidity and stability to the Company but it is unlikely to provide a definitive solution. One significant obstacle to its long-term implementation is the transfer of cash flows away from banks towards charterers
- ▶ In considering alternatives for a financial restructuring, the Company sought to achieve the following key objectives:
 - Compensate stakeholders adequately for their risk-weighted capital exposure and concessions
 - Constrain cross subsidization between stakeholders related to different underlying assets
 - Ring-fence potential sources of disruption, holdout, or nuisance (such as arrests or sister-ship arrests)
 - Maximize options for stakeholders and potential for self-selection
- ▶ A long term plan involves grouping and ringfencing assets according to their debt service capacity and sensitivity to a recovery in rates.
- ▶ This can be achieved by executing arms-length sale transactions of the [SPVs] at market value into appropriate newcos:
 - a) Newco Alpha: up to 29 vessels (mostly Tanker operations) financed by “Hamburg” banks, Natixis, Credit Europe (including Second Lien), NSF Second Lien and Lloyds; Alpha to be partially recapitalized with new equity and financed through 5 different facilities
 - b) Newco Beta: 4 vessels financed by CCB and CDB.
 - c) Group C: GB Global, NSF (South and East)
 - d) Group D: the remaining vessels, essentially comprised of Icon, Octavian, Stealth, FSL



II. Background

DEKABANK copy, ⁸ March 6 2013

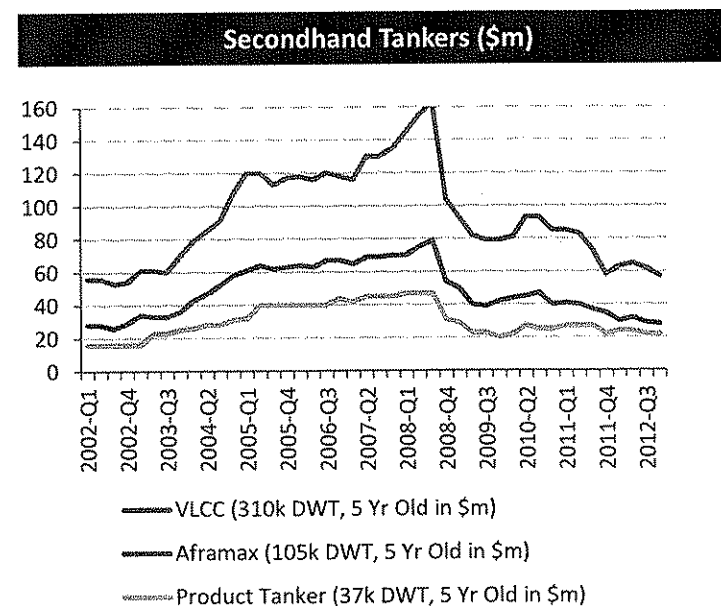
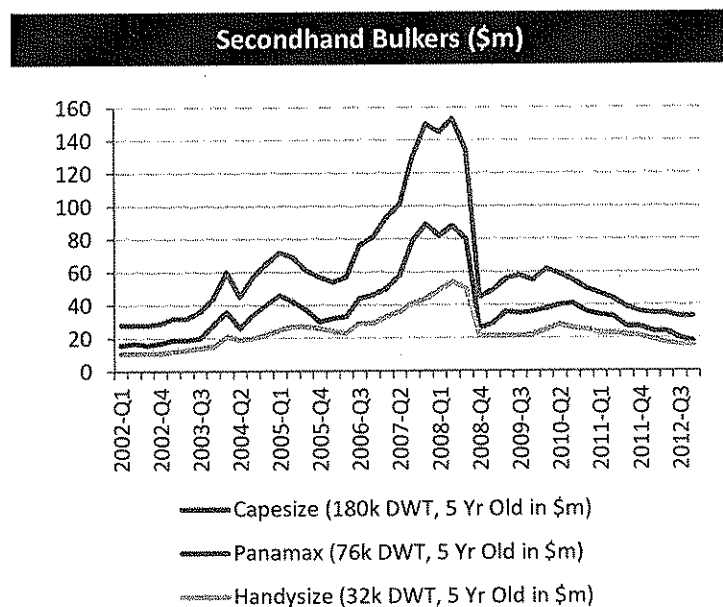
AlixPartners

B. V. A. C. E. R. V. E. N. T. A. R. Y.

Background

The Market

- ▶ Neither the tanker nor the bulker market recovered through 2012 and vessel earnings have remained low
 - The tanker market has shown signs of firmness in Q1 2013 but there is little optimism for a sustained recovery before Q3 2013
 - The bulker market continues to be very weak and has performed slightly below the Nov 20 Business Plan forecast during Q1 2013
- ▶ Asset values have continued to deteriorate through the end of 2012. The latest levels as per Clarkson Research sustained decline to multiyear lows:
 - 5yr old VLCC, Aframax and Product tankers at \$57m, \$28m, and \$22m
 - 5yr old Capesize, Panamax, and Handysize at \$33m, \$18m, and \$16m



Source: Clarkson Research

AlixPartners

DEKABANK copy, March 6 2013

Background

The Company

- ▶ The Company has actively been managing its portfolio since 2008, mainly via:
 - The investment of c.\$700m in equity along with \$1.8B of bank and sale-leaseback (18) financing
 - The Sale of 12 vessels upon delivery for net proceeds of \$136m
 - The Sale of 17 vessels operating within the fleet for net proceeds of \$79m
 - The sale –leaseback of 18 vessels to finance \$665m in deliveries of which 7 in 2013 (\$171m)
- ▶ Earnings from vessels financed by banks have fallen \$45m short of debt service in the period 2011-2012. Similarly, earnings from bareboat vessels have fallen \$43m short of obligations in the period 2011-2012.
- ▶ In order to maintain minimum operational liquidity, the Company has instituted a moratorium during the first quarter including the following measures
 - Deferral of 100% from all lenders other than CCB and CDB who have already agreed to a debt rescheduling starting from Q4 2012
 - Deferral of some November and December 2012 principal repayments
 - Deferral of 35% of the bareboat hire payments
 - Refinancing of Royal via Credit Europe facility; Repayment of 2012 bank principal overdue ⁽¹⁾
 - Management of supplier overdue through the quarter
- ▶ While all stakeholders have reserved their rights, some specific stakeholder actions have affected the cash flows
 - Unicredit has drawn on its deposit accounts
 - Icon issued a lien notice to the charterers and has directly received charter income
- ▶ With above measures and actions, available cash is projected at only c.\$23.8m including retention at the end of March and c.\$7.5m in restricted cash deposits

⁽¹⁾ Does not include default interest, margin increases and bank fees

CONFIDENTIAL

Company and Fleet Overview

The Company – Recent Events

► Flash

1. The Flash ran aground at the end of June and is currently arrested in Tunisia
2. The customer has invoked damage of goods (wet coal) and has refused to take delivery
3. 180 days have elapsed as of Feb 2013, potentially giving rise to a Constructive Total Loss on a hull coverage of \$110m
4. The claim has been rejected by the Club on the basis that the damage is to cargo
5. An arbitrator is to be appointed week of Mar 4 2013

► Baytur

1. Baytur is expected to be delivered in the first week of April for \$13.6m in proceeds

► Royal Refinancing

1. The Royal was refinanced through a \$37.5m facility with Credit Europe
2. Credit Europe has cross-collateralized its second lien on the Namrun and the Scope (behind Natixis) with a second mortgage on the Royal
3. \$10m has been paid to HSH and \$10m is outstanding to the yard

CONFIDENTIAL

Company and Fleet Overview

Employment, Tanker

Tankers									
Ref	Vessel	Type	Daily Charter Net Rate	Charterer	Maturity	Profit Share End Date	Option Rate	Option Maturity	Option (Month)
1	MT AQUA	Aframax Tanker	12,675	CHEVRON	Apr-13	-	12,675	Oct-13	6
2	MT ACTION	Aframax Tanker	12,706	URSA SHIPPING	Mar-13	-	12,706	May-13	2
3	MT TARGET	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
4	MT TRUE	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
5	MT SPIKE	Aframax Tanker	12,825	URSA SHIPPING	Mar-13	-	12,825	Oct-13	6
6	MT AVOR	Aframax Tanker	13,063	URSA SHIPPING	Aug-13	-	13,063	Feb-14	6
7	MT VALUE	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
8	MT BRAVO	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
9	MT POWER	Aframax Tanker	11,500	SHELL	Apr-17	Jun-14	11,500	Apr-22	60
10	MT PROFIT	Suezmax Tanker	13,000	SHELL	Apr-15	Jun-14	13,000	Apr-18	36
11	MT CENTER	Suezmax Tanker	15,675	NIDAS	Jun-13	-	19,500	Jun-14	12
12	MT BLUE	Suezmax Tanker	13,000	SHELL	Apr-15	Jun-14	13,000	Apr-18	36
13	MT PINK	Suezmax Tanker	36,834	GLENCORE	Jun-15	-	36,834	Jun-15	-
14	MT BLANK	Suezmax Tanker	13,000	SHELL	Apr-15	Jun-14	13,000	Apr-18	36
15	MT REEF	Suezmax Tanker	37,080	GLENCORE	Jul-15	-	37,080	Jul-15	-
16	MT HERO	Suezmax Tanker	13,000	SHELL	Nov-15	Jun-14	13,000	Nov-18	36
17	MT ROYAL	Suezmax Tanker	13,000	SHELL	Nov-15	Jun-14	13,000	Nov-18	36
18	MT ENJOY	Panamax Tanker	13,825	CSSA	Mar-14	-	-	Mar-14	-
19	MT MARKA	Panamax Tanker	11,959	Panamax International (P.I.)	Jun-13	-	12,925	Dec-13	6
20	MT CITRON	MR Pro/Chem Tanker	13,380	SHELL	May-13	-	13,380	Jul-13	2
21	MT CITRUS	MR Pro/Chem Tanker	13,380	SHELL	Jul-13	-	13,380	Sep-13	2
22	MT ACOR	Ice Class Pro/Chem Tanker	11,700	NORDEN	Apr-13	-	-	May-13	1
23	MT CARRY	Ice Class Pro/Chem Tanker	11,150	NORDEN	Aug-13	-	-	Sep-13	1
24	MT ROVA	Ice Class Pro/Chem Tanker	12,250	CSSA	Nov-13	-	-	Dec-13	1
25	MT COTTON	Ice Class Pro/Chem Tanker	12,250	CSSA	Nov-13	-	-	Dec-13	1
26	MT CARGO	Ice Class Pro/Chem Tanker	11,690	NORDEN	May-13	-	-	Jun-13	1
27	MT ROCK	Ice Class Pro/Chem Tanker	11,690	NORDEN	Mar-13	-	-	Apr-13	1
28	MT ROCKET	Ice Class Pro/Chem Tanker	11,690	NORDEN	Jun-13	-	-	Jul-13	1

DEKARANK copy, March 6 2013

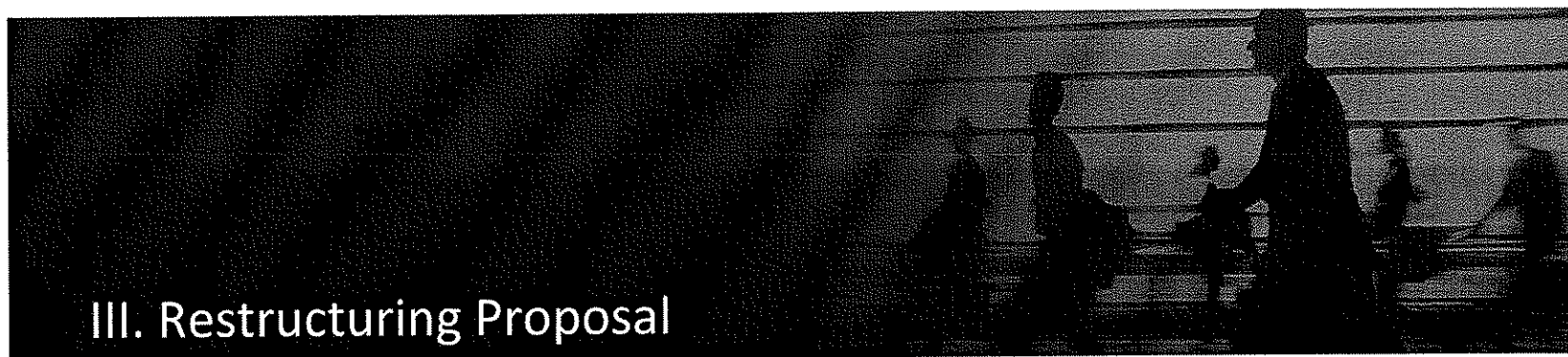
AlixPartners

Company and Fleet Overview

Employment, Bulk

Bulkers									
Ref	Vessel	Type	Daily Charter Net Rate	Charterer	Maturity	Profit Share End Date	Option Rate	Option Maturity	Option (Month)
31	MV SCOPE	Capesize Bulk Carrier	10,000	SWISS MARINE	Oct-13	-	-	May-14	7
32	MV FLASH	Capesize Bulk Carrier		ARRESTED		-	-	Jan-00	-
33	MV PROUD	Capesize Bulk Carrier	56,000	COSCO	Jun-14	-	-	Jun-14	-
34	MV ANGEL	Capesize Bulk Carrier	4,533	SWISS MARINE	Mar-13	-	-	Mar-13	-
35	MV PRETTY	Capesize Bulk Carrier	7,600	SWISS MARINE	Feb-13	-	-	May-13	3
36	MV CASH	Kamsarmax Bulk Carrier		N/A	-	-	-	Jan-00	-
37	MV COLLECTION	Kamsarmax Bulk Carrier		N/A	-	-	-	Jan-00	-
38	MV CITY	Kamsarmax Bulk Carrier		N/A	-	-	-	Jan-00	-
39	MV ASIA	Supramax Bulk Carrier	7,014	SUPREME BULK CARRIERS	Jan-13	-	7,014	Apr-13	3
40	MV FANTASTIC	Supramax Bulk Carrier	6,978	SUPREME BULK CARRIERS	Jan-13	-	6,978	Apr-13	3
41	MV AMAZING	Supramax Bulk Carrier	7,267	SUPREME BULK CARRIERS	Feb-13	-	7,267	May-13	3
42	MV TARSUS	Supramax Bulk Carrier	6,978	SUPREME BULK CARRIERS	May-13	-	6,978	Jul-13	2
43	MV SPOT	Supramax Bulk Carrier	10,925	COPA	Feb-13	-	-	Feb-13	-
44	MV CLEAR	Supramax Bulk Carrier	5,850	Denmar Chartering & Trading GMBH Hamburg, Germany	May-13	-	5,850	May-13	-
45	MV NAMRUN	Supramax Bulk Carrier	7,256	SUPREME BULK CARRIERS	Jan-13	-	7,256	Apr-13	3
46	MV BAYTUR	Supramax Bulk Carrier	6,978	SUPREME BULK CARRIERS	Jan-13	-	6,978	Apr-13	3
47	MV SOUTH	Supramax Bulk Carrier	6,978	SUPREME BULK CARRIERS	Jan-13	-	6,978	Apr-13	3
48	MV EAST	Supramax Bulk Carrier	8,422	WORLDWIDE INVESTMENT	Feb-13	-	8,422	Feb-13	-
49	MV WEST	Supramax Bulk Carrier	7,219	SUPREME BULK CARRIERS	Jan-13	-	7,219	Apr-13	3
50	MV SECRET	Supramax Bulk Carrier	8,422	SUPREME BULK CARRIERS	Jan-13	-	8,422	Apr-13	3
51	MV SHARP	Supramax Bulk Carrier	8,075	SIVA BULK	May-13	-	-	Jan-00	2
52	MV CAPITAL	Supramax Bulk Carrier	8,075	SIVA BULK	May-13	-	-	Jan-00	2
53	MV METROPOL	Supramax Bulk Carrier	7,219	SUPREME BULK CARRIERS	Mar-13	-	-	Jan-00	-
54	MV WORLD	Supramax Bulk Carrier	8,265	SIVA BULK	Apr-13	-	8,265	Jul-13	-
55	MV EARTH	Mini Bulk Carrier		On Spot		-	-	Jan-00	-
56	MV WIND	Mini Bulk Carrier		On Spot		-	-	Jan-00	-
29	MT CV STEALTH	Aframax Tanker	11,700	PT Armada	Mar-13	-	11,700	Apr-13	1
30	MT CS STEALTH	Aframax Tanker	12,255	Petrovietnam Transport Corp	Mar-13	-	12,255	Mar-13	-

DEK BANK copy March 3 2013



III. Restructuring Proposal

DEKABANK copy, ¹⁴ March 6 2013

AlixPartners

DRAFT & PRELIMINARY

Restructuring Proposal

Key Assumptions

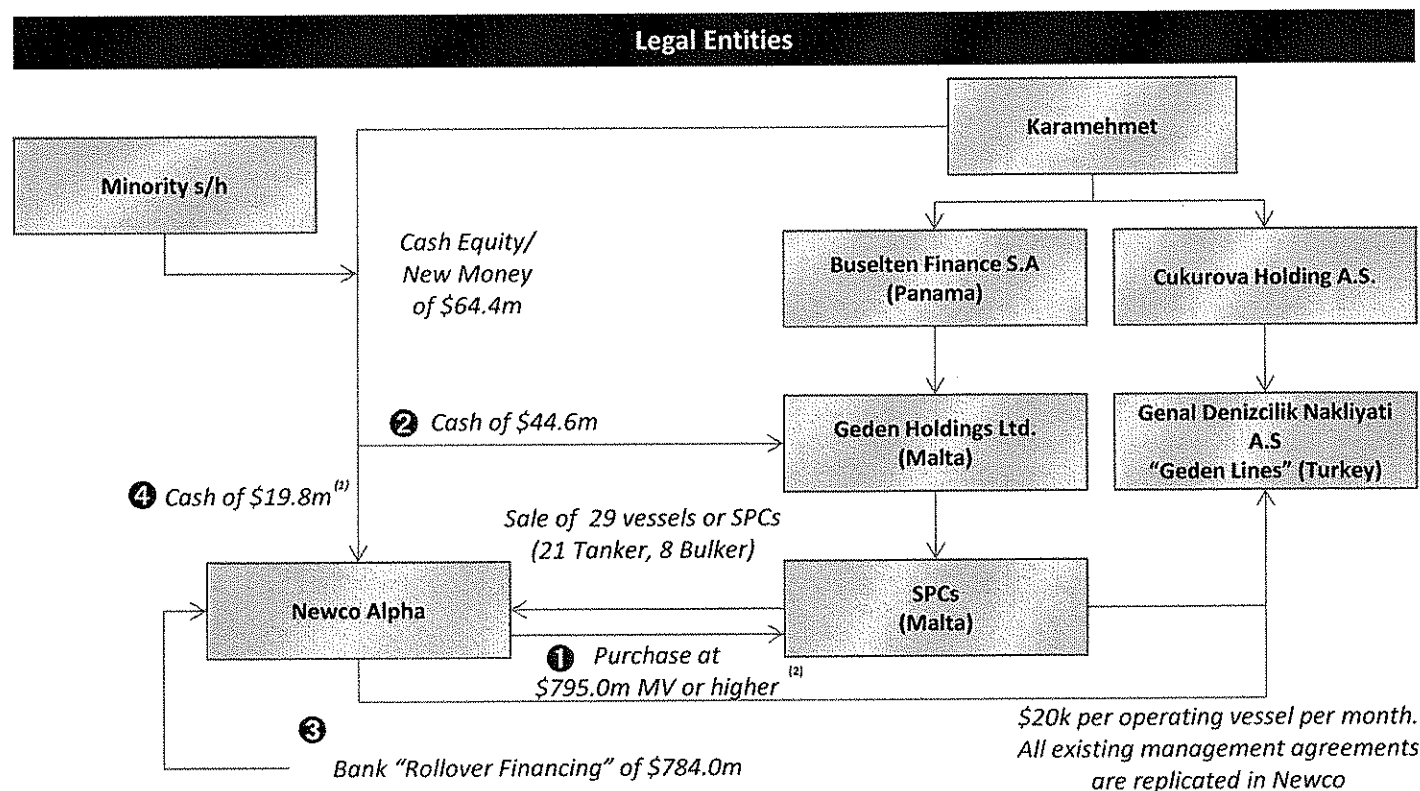
- ▶ Key assumptions under the Plan include
 - All ships sold **at minimum of market value or value of loan** and on an arms-length basis.
 - There will be **some change in the ownership** in the go-forward entities Newco Alpha and Beta (in order to protect relevant lenders from sister ship arrests in South Africa - type jurisdictions)
 - Stakeholders in groups **C and D will have the option to move into A** subject to loan modifications adhering to the conditions prevalent in that entity.
 - Stakeholders in **C and D can have their vessels redelivered** subject to acceptable terms for termination.
- ▶ The Company would prefer a coordinated financing approach in Newco
- ▶ The Second Lien debt relating to NSF and Credit Europe is transferred/novated upon the sale. There may be an opportunity to renegotiate terms of mezzanine debt (NSF, Credit Europe) as part of the sale but it has not been contemplated here
- ▶ Deposits related to facilities (Unicredit, Profit, etc.) are netted the outstanding loan amounts; the loans are reconstituted after the transaction and the deposits are eliminated

DRAFT - PRELIMINARY

Plan B – Split of Fleet via Newco A

Newco A Example

- **Newco Alpha:** Intended to form a viable standalone entity of up to 29 vessels (21 Tanker and 8 Bulker) in which the quality of vessel earnings would enable limited deferrals compared to those required in the November 20 proposal; New equity provided in the transaction to reduce total bank exposure and improve LTV coverage ratio for the majority of the facilities
- **Assumptions :** 1) Sale of ships at market value from Olco to Newco 2) Equity to fund any shortfall in collateral in Oldco 3) New bank financing in Newco provided at 95% LTV 4) New Equity in Newco as required for 95% LTV.



Note: Indicative transaction structure subject to legal due diligence

^[1] Equity of \$1.1m also as a result of transfer of Namun at value greater than senior debt

^[2] \$52.6m financed in excess of market value of assets

DRAFT - REVIEW ONLY

Plan B – Split of Fleet via Newco: Alpha

Structuring: Facility #1

- **Facility#1:** Newco Alpha financing at 95% LTV, LIBOR +3% on a 15 year loan profile from delivery date based 20 year working life minus 5 years. Pro Forma debt in Facility#1 includes second liens behind Natixis related to Credit Europe (\$16.1m)

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan ⁽¹⁾	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo (LTV of 95%) [B*(1-95%)]	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
FACILITY #1	Hamburg banks paid down to 95% LTV including any current shortfalls										
Aframax	NLB	Target	99%	95%	28.7	29.0	0.3	1.5	1.5	0.3	27.6
Aframax	NLB	True	108%	95%	33.4	31.0	(2.4)	1.6	4.0	0.0	29.5
Aframax	Unicredit	Value	95%	95%	31.5	33.0	0.0	1.7	1.7	0.0 ⁽⁴⁾	31.4
Aframax	Unicredit	Bravo	95%	95%	31.5	33.0	0.0	1.7	1.7	0.0 ⁽⁴⁾	31.4
Aframax	Unicredit	Power	97%	95%	31.9	33.0	0.0	1.7	1.7	0.0 ⁽⁴⁾	31.4
Suezmax	DVB NLB	Profit	96%	95%	39.4	41.0	1.6	2.1	2.1	1.6	39.0
Suezmax	CB NLB BrLB	Blue	99%	95%	40.5	41.0	0.5	2.1	2.1	0.5	39.0
Suezmax	HSH 1	Hero	99%	95%	48.5	49.0	0.5	2.5	2.5	0.5	46.6
MR	HSH 2	Citron	107%	95%	22.5	21.0	(1.5)	1.1	2.6	0.0	20.0
MR	HSH 2	Citrus	107%	95%	23.6	22.0	(1.6)	1.1	2.7	0.0	20.9
Handy	DVB NLB SAN	Acor	96%	95%	20.1	21.0	0.9	1.1	1.1	0.9	20.0
Handy	DVB NLB SAN	Carry	100%	95%	21.0	21.0	0.0	1.1	1.1	0.0	20.0
Handy	DVB NLB SAN	Rova	100%	95%	21.0	21.0	0.0	1.1	1.1	0.0	20.0
Handy	DVB NLB	Cotton	100%	95%	21.0	21.0	0.0	1.1	1.1	0.0	20.0
Handy	DVB NLB	Cargo	91%	95%	21.0	23.0	2.0	1.2	1.2	2.0	21.9
Handy	DVB NLB	Rock	95%	95%	21.9	23.0	1.1	1.2	1.2	1.1	21.9
Handy	DVB NLB	Rocket	95%	95%	21.9	23.0	1.1	1.2	1.2	1.1	21.9
Handymax	DVB	Asia	102%	95%	19.4	19.0	(0.4)	1.0	1.3	0.0	18.1
Mini Bulker	DVB	Earth	98%	95%	2.9	3.0	0.1	0.2	0.2	0.1	2.9
Mini Bulker	DVB	Wind	98%	95%	2.9	3.0	0.1	0.2	0.2	0.1	2.9
Subtotal Facility #1		20	99%	95%	504.7 ⁽¹⁾	511.0	(5.9) ⁽²⁾	25.6	31.5 ⁽³⁾	12.2	485.5

⁽¹⁾ To be adjusted for repayments before closing of the transaction (figures do not include principal repayments made week ending Feb 22)

⁽²⁾ Represents sum of shortfall only

⁽³⁾ Total amount of equity related to sale / purchase of vessels in Facility #1

⁽⁴⁾ \$4.1m related to excess collateral in Unicredit facility could be eliminated and repaid/refinanced through NSF 2nd Lien

DEKABANK copy, March 8 2013

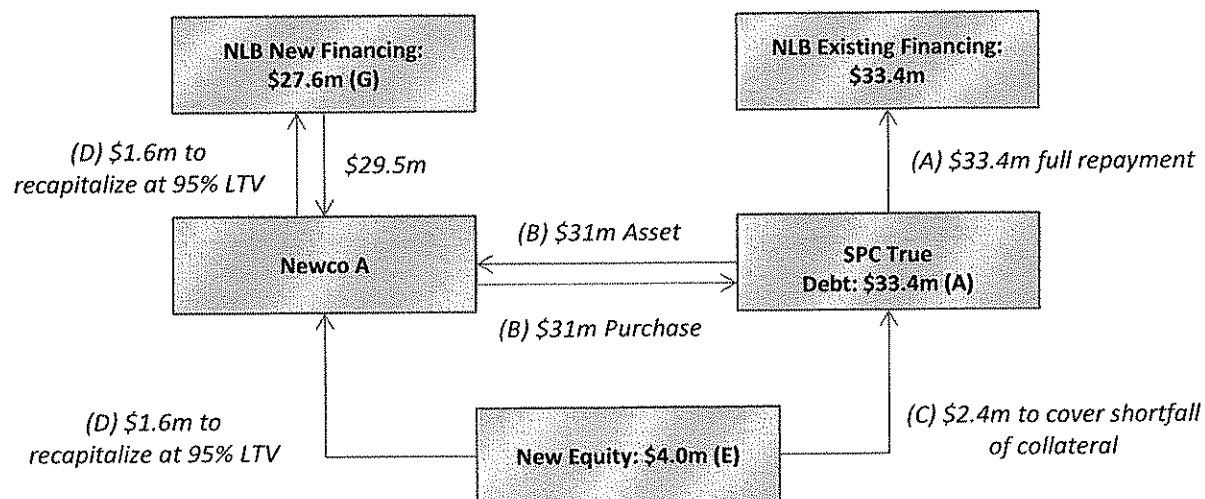
DRAFT - PROPRIETARY

Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #1

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo (LTV of 95%) [B*(1-95%)]	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Aframax	NLB	True	108%	95%	33.4	31.0	2.4	1.6	4.0	0.0	29.5

1. True is sold from Oldco to Newco Alpha at market value \$31m (B)
2. Any shortfall against the mortgage is funded by \$2.4m new equity (C) and the whole of the Oldco debt is paid down. If there is value above the mortgage, the excess cash remains in Oldco
3. NLB and New Equity recapitalize Newco at a maximum of 95% LTV; NLB has reduced its exposure by \$3.9m and improved LTV by 13%



Note: Indicative transaction structure subject to legal due diligence

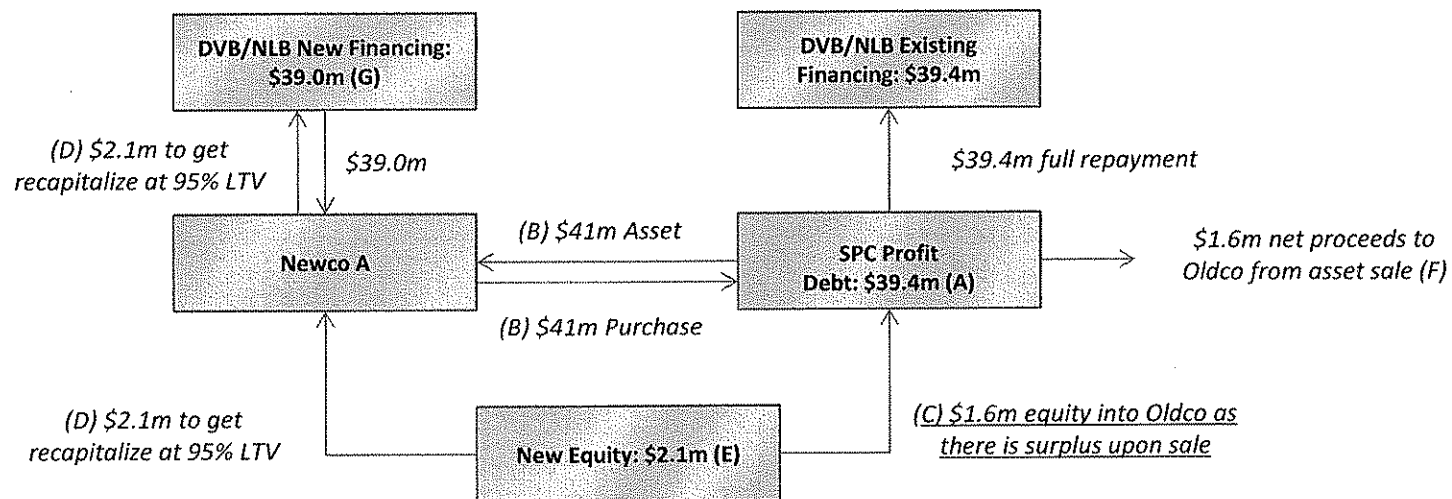
CONFIDENTIAL

Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #2

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo (LTV of 95%) [B*(1-95%)]	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Suezmax	DVB NLB	Profit	96%	95%	39.4	41.0	1.6	2.1	2.1	1.6	39.0

1. Profit is sold from Oldco to Newco Alpha at \$41m market value (B)
2. If there is value above the mortgage, the excess cash remains in Oldco (C). Any shortfall would need to be funded via additional equity
3. DVB and New Equity recapitalize Newco at maximum of 95% LTV; NLB has reduced its exposure by \$0.4m and improved LTV by 1%



Note: Indicative transaction structure subject to legal due diligence

Plan B – Split of Fleet via Newco: Alpha

Structuring

- ▶ Facility#2: Lloyds vessels sold and refinancing provided on the same terms
- ▶ Facility#3: Natixis vessels sold and refinancing provided on the same terms; Namrun facility extended and ship potentially sold in 2-3 yrs
- ▶ Facility#4: Credit Europe sold and refinancing provided on the same terms
- ▶ Facility#5: Dekabank vessels sold and refinancing provided on PAYC basis and no covenants
- ▶ Facility#6: NSF Second Lien behind Unicredit on the same terms

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo (LTV of 95%) [B*(1-95%)]	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
FACILITY #2 Lloyds facility rolled over into Newco Alpha on existing terms											
Suezmax	Lloyds	Pink	85%	85%	37.3	44.0	6.7	6.7	6.7	6.7	37.3
Suezmax	Lloyds	Blank	68%	68%	32.2	47.0	14.8	14.8	14.8	14.8	32.2
Suezmax	Lloyds	Reef	75%	75%	34.6	46.0	11.4	11.4	11.4	11.4	34.6
FACILITY #3 Natixis facilities rolled over into Newco Alpha on existing terms											
Capesize	Natixis 1	Scope	87%	87%	23.4	27.0	n/a	n/a	n/a	n/a	23.4
Handymax	Natixis 2	Namrun	88%	88%	14.0	16.0	n/a	n/a	n/a	n/a	14.0 ⁽²⁾
FACILITY #4 Loan includes \$37.5m new refinancing from Credit Europe plus \$16.1m 2 nd priority loans relating to the Scope and the Namrun											
Suezmax	Credit Europe	Royal	107% ⁽¹⁾	107%	53.6	50.0	n/a	n/a	0.0	0.0	53.6
FACILITY #5 Deka facility rolled over into Newco but paid only from available cash from these vessels											
Handymax	Deka	Tarsus	133%	133%	24.0	18.0	n/a	n/a	n/a	n/a	24.0
Handymax	Deka	Spot	139%	139%	25.0	18.0	n/a	n/a	n/a	n/a	25.0
Handymax	Deka	Clear	139%	139%	25.0	18.0	n/a	n/a	n/a	n/a	25.0
FACILITY #6 NSF 2 nd Lien facilities											
			n/a	n/a	25.5	n/a	n/a				25.5
TOTAL Newco Alpha											
	29	97%	95%	799.3	795.0	(5.9) ⁽³⁾	58.5	64.4	44.6	784.0	
					MV of Newco Alpha Assets			Total Capital required		New Alpha deb	

⁽¹⁾ Royal refinancing includes second lien ; LTV on first lien is 75%

⁽²⁾ Equity value from the rollover of the Namrun loan on \$16m in MV; equity not retained by Oldco due to 2nd Lien by Credit Europe

⁽³⁾ Represents sum of shortfall only

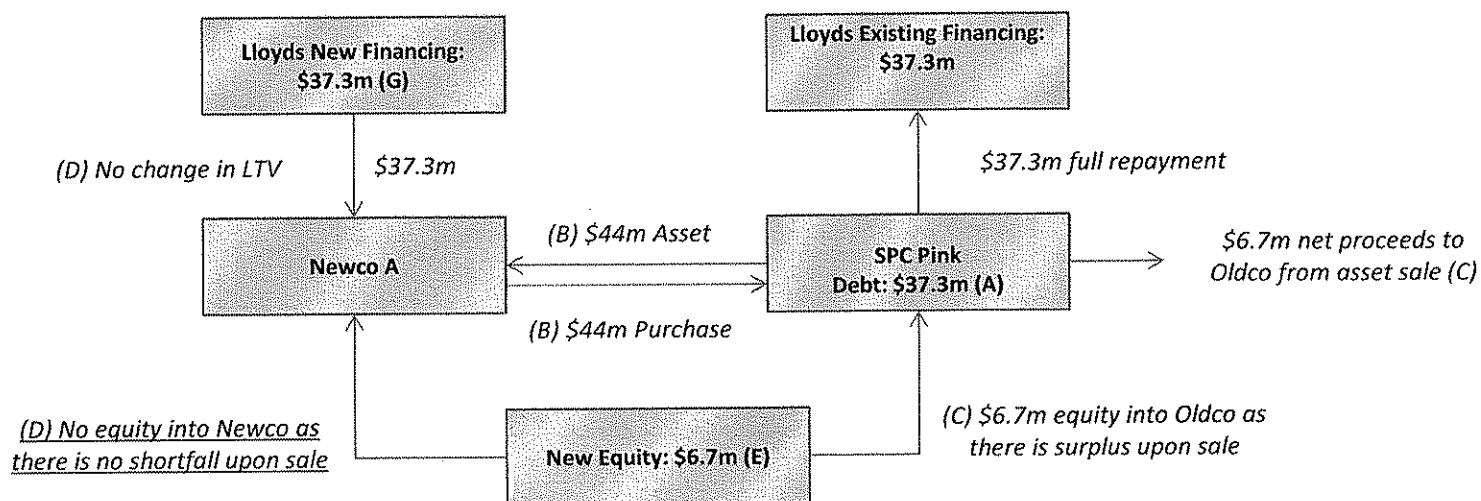
CONFIDENTIAL

Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #3

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Suezmax	Lloyds	Pink	85%	85%	37.3	44.0	6.7	6.7	6.7	6.7	37.3

1. Pink is sold from Oldco to Newco Alpha at market value (B)
2. The excess cash over the mortgage value remains in Oldco (C)
3. Lloyds and New Equity recapitalize Newco at a maximum of 95% LTV; Given that coverage is lower than 95% (85%), no new equity is required upon refinancing of Newco with \$37.3m in debt



Note: Indicative transaction structure subject to legal due diligence

DRAFT & PRELIMINARY

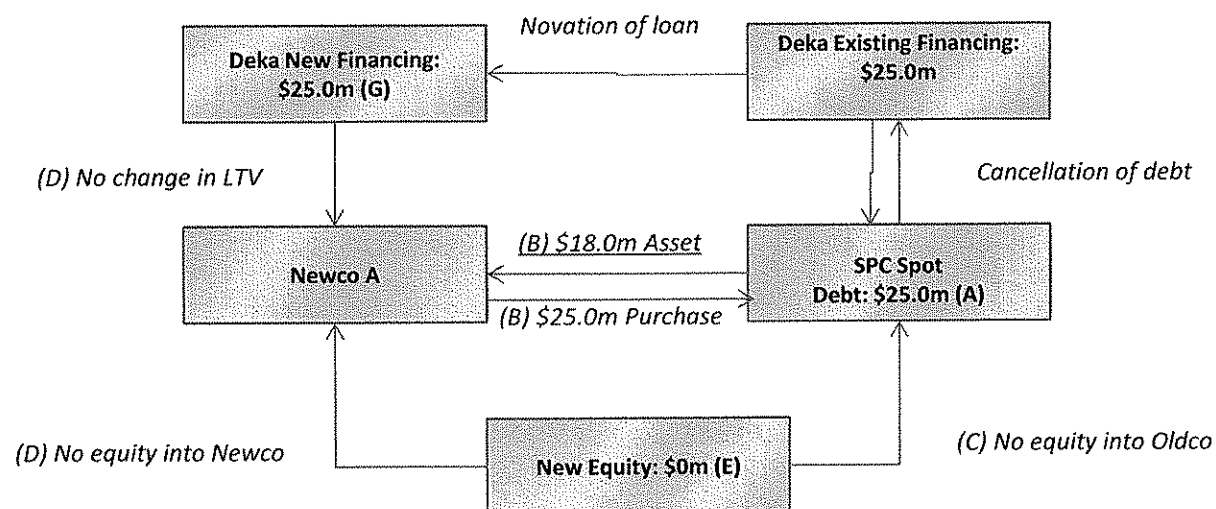
Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #4

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo	(E) Capital required in NewCo (LTV of 95%) and to cover deficiency [D+Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Handymax	Deka	Spot	139%	139%	25.0	18.0		0.0	0.0	0.0	25.0

1. Spot is sold from Oldco to Newco Alpha at \$25m being equivalent to outstanding loans
2. Loans are novated to Newco
3. Loans are paid out of available cash on the vessel only

Amount of loan novated is beyond market value at the time of the transaction; no recapitalization



Note: Indicative transaction structure subject to legal due diligence

Plan B – Split of Fleet via Newco: Alpha

Structuring – Sources and Uses, Pro Forma Balance Sheet

Sources		Uses	
New equity ⁽¹⁾	64.4	Purchase of assets	784.0
New financing	784.0	Net bank debt paydown	19.3
		Equity to cover collateral shortfall and excess value	45.1
Total Sources	\$848.4	Total Uses	\$848.4

⁽¹⁾ Does not include additional liquidity for operational cash

DEXABANK copy. March 6 2013

DRAFT - PRELIMINARY

Plan B – Split of Fleet via Newco: Beta

Structuring

- ▶ **Newco Beta:** Contains 4 Bulkers financed by Chinese banks. These are considerably under water yet they must be offered attractive terms given that the Chinese banks benefit from a Corporate Guarantee.
- ▶ **Assumptions :** Loans novated to Newco Beta on existing terms. **Subject to an appropriate rescheduling of obligations we do not envisage equity being required for Newco Beta.**

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value
Capesize	CCB	Flash	100%	100%	33.1	33.0
Capesize	CCB	Proud	100%	100%	33.1	33.0
Capesize	CDB	Angel	119%	119%	43.0	36.0
Capesize	CDB	Pretty	125%	125%	45.1	36.0
Total Newco Beta		4	112%	112%	154.3	138.0

DEK-BANK copy, March 6 2018

Plan B – Split of Fleet via Newco: Group C

Structuring

- ▶ **Group C:** Contains 11 Bulkers financed by GB Global as well as the NSF-financed vessels.
- ▶ **Assumptions :** Entity would require revision of current contractual debt service in order to maintain liquidity; Subject to adequate concessions, facilities could opt into Newco Alpha or desist from participation and take ships back

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value
Kamsarmax	GB Global	Cash	96%	96%	26.0	27.0
Kamsarmax	GB Global	Coll./Chance	96%	96%	26.0	27.0
Kamsarmax	GB Global	City	96%	96%	26.0	27.0
Handymax	NSF	South	84%	84%	19.3	23.0
Handymax	NSF	East	84%	84%	19.3	23.0
Handymax	GB Global	West	103%	103%	23.7	23.0
Handymax	GB Global	Secret	103%	103%	23.7	23.0
Handymax	GB Global	Sharp	103%	103%	23.7	23.0
Handymax	GB Global	Capital	103%	103%	23.7	23.0
Handymax	GB Global	Metropol	103%	103%	23.7	23.0
Handymax	GB Global	World	103%	103%	23.7	23.0
Total Group C		11	98%	98%	258.8	265.0

DEK-BANK copy, March 6 2018

Plan B – Split of Fleet: Residual Oldco: Group D

Structuring

- ▶ **Group D, Geden Oldco:** 11 Group D vessels make up the residual fleet and are not part of the Company's future. These include the vessels funded by FSL, Icon, Octavian and Stealth when traditional financing was unavailable. Baytur will be sold April 2013.
- ▶ **Assumptions :** Entity would require revision of current contractual debt service in order to maintain liquidity; Proceeds from the sale to Newco Alpha would provide liquidity to pay down payables.

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan (PV of leases)	(B) Current Estimated Value
Aframax	FSL	Aqua	234%	234%	60.8	26.0
Aframax	FSL	Action	234%	234%	60.8	26.0
Aframax	Stealth	Spike	177%	177%	55.0	31.0
Aframax	Stealth	Avor	176%	176%	54.5	31.0
Suezmax	Icon 1	Center	145%	145%	67.9	47.0
Panamax	Octavian 1	Enjoy	141%	141%	42.2	30.0
Panamax	Octavian 2	Marka	128%	128%	41.0	32.0
Handymax	Icon 2	Fantastic	157%	157%	29.9	19.0
Handymax	Icon 2	Amazing	157%	157%	29.9	19.0
Chartered - Afra_Tanker	not ours	CV Stealth				
Chartered - Afra_Tanker	not ours	CS Stealth				
Subtotal SPVs		11 ⁽¹⁾	169%	169%	441.9	261.0
Corporate facility	Bank Asya				39.5	
Total Group D					481.4	

⁽¹⁾ Baytur sold before the transaction

Plan B – Summary

Bank Exposure: By Facility

	Estimated Value	Current debt	LTV Current	PF Debt	LTV After	Change in debt	Change in LTV
Unicredit	99.0	94.9	96%	94.1	95%	(0.8)	-1%
NLB	60.0	62.1	104%	57.0	95%	(5.1)	-9%
HSH 2	43.0	46.1	107%	40.9	95%	(5.3)	-12%
DVB	25.0	25.3	101%	23.8	95%	(1.5)	-6%
CB NLB BrLB	41.0	40.5	99%	39.0	95%	(1.5)	-4%
DVB NLB SAN	63.0	62.1	99%	59.9	95%	(2.3)	-4%
HSH 1	49.0	48.5	99%	46.6	95%	(2.0)	-4%
DVB NLB	131.0	125.2	96%	124.5	95%	(0.8)	-1%
GB Global	219.0	220.3	101%	220.3	101%	0.0	0%
CDB	72.0	88.1	122%	88.1	122%	0.0	0%
CCB	66.0	66.2	100%	66.2	100%	0.0	0%
Credit Europe	50.0	53.6	107%	53.6	107%	0.0	0%
Lloyds	137.0	104.1	76%	104.1	76%	0.0	0%
NSF	46.0	38.5	84%	38.5	84%	0.0	0%
Natixis 1	27.0	23.4	87%	23.4	87%	0.0	0%
Natixis 2	16.0	14.0	88%	14.0	88%	0.0	0%
Octavian 2	32.0	41.0	128%	41.0	128%	0.0	0%
Octavian 1	30.0	42.2	141%	42.2	141%	0.0	0%
Deka	54.0	74.0	137%	74.0	137%	0.0	0%
Icon 1	47.0	67.9	145%	67.9	145%	0.0	0%
Icon 2	38.0	59.7	157%	59.7	157%	0.0	0%
Stealth	62.0	109.5	177%	109.5	177%	0.0	0%
FSL	52.0	121.6	234%	121.6	234%	0.0	0%
TOTAL	1,459.0	1,628.8	112%	1,609.5	110%	(19.3)	-1%

CONFIDENTIAL

Plan B – Summary

Bank Exposure: By Bank

	Estimated Value	Current debt	LTV Current	PF Debt	LTV After	Change in debt	Change in LTV
Unicredit	99.0	94.9	96%	94.1	95%	(0.8)	-1%
NLB	170.1	168.8	99%	161.6	95%	(7.1)	-4%
DVB	106.3	103.4	97%	100.9	95%	(2.5)	-2%
Commerzbank	14.8	14.6	99%	14.0	95%	(0.6)	-4%
BrLB	13.1	13.0	99%	12.5	95%	(0.5)	-4%
Santander	23.8	22.5	95%	22.0	93%	(0.6)	-2%
HSH	92.0	94.6	103%	87.4	95%	(7.2)	-8%
GB Global	219.0	220.3	101%	220.3	101%	0.0	0%
CDB	72.0	88.1	122%	88.1	122%	0.0	0%
CCB	66.0	66.2	100%	66.2	100%	0.0	0%
Credit Europe	50.0	53.6	107%	53.6	107%	0.0	0%
Lloyds	137.0	104.1	76%	104.1	76%	0.0	0%
NSF	46.0	64.0	139%	64.0	139%	0.0	0%
Natixis	35.0	30.4	87%	30.4	87%	0.0	0%
Octavian	62.0	83.2	134%	83.2	134%	0.0	0%
Deka	54.0	74.0	137%	74.0	137%	0.0	0%
Icon	85.0	127.6	150%	127.6	150%	0.0	0%
Stealth	62.0	109.5	177%	109.5	177%	0.0	0%
FSL	52.0	121.6	234%	121.6	234%	0.0	0%
TOTAL	1,459.0	1,654.3	113%	1,635.0	112%	(19.3)	-1%



IV. Financial Analysis

DEKABANK copy, ²⁹ March 6 2013

AlixPartners

Assumptions

General

- Business plan is based on the following main assumptions:

Operations

- 20 offhire days for drydocking
- Rates applied to reflect type of vessel, adjusted for contract terms
- Charter-out options exercised if below market rate
- No Opex inflation
- No working capital movements

Investments

- Dry docking taken from technical management schedule
- No asset sales
- Capex as per financing commitments
- Charter-in come off upon expiry
- Purchase obligations resold at loss/gain equal to current differential between market value and financial obligation

Financing

- No variation in current base rate
- Margins as per specific facilities (following pages)
- Amortization as per specific facilities
- No interest rate swap
- Refinancing of Royal providing \$27.5m net liquidity post HSH repayment and before any repayment to yard (\$10m)
- Extension of Namrun on same terms upon Nov-13 maturity; likely to be sold within 2-3 years

Restructuring

- No mechanism for bareboat catch-up
 - Bareboat purchase options not exercised
 - No restructuring fees
 - All bank deferrals assumed to take on new profile or bullet repayment (no assumption on bareboat deferrals)
-

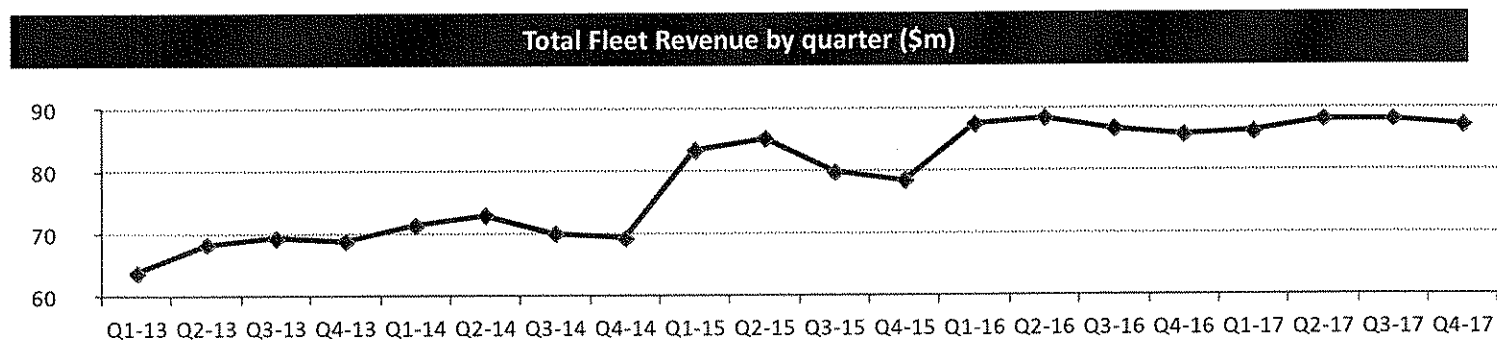
Assumptions

Rates

- The Company's market projections imply CAGR increases of 8-11% for the majority of the fleet:

\$/day	2013	2014	2015	2016	2017	CAGR (12-17)
Aframax Tanker	14,000	14,000	17,500	19,000	21,000	8%
Suezmax Tanker	15,000	15,000	22,000	24,000	24,000	8%
Panamax Tanker	13,500	13,500	14,500	17,500	17,500	5%
MR Pro/Chem Tanker	13,000	13,000	15,000	15,000	15,000	3%
Ice Class Pro/Chem Tanker	12,500	12,500	14,000	14,000	14,000	3%
Capesize Bulk Carrier	15,000	17,500	20,000	22,000	22,000	11%
Kamsarmax Bulk Carrier	12,500	15,000	15,000	20,000	20,000	15%
Supramax Bulk Carrier	10,000	11,000	15,000	17,500	17,500	17%
Mini Bulk Carrier	5,000	6,000	7,000	8,000	8,000	15%

- The actual revenue increase accruing to the fleet through the projection differs as a result of the exercise of charter options and the JV structure on certain vessels (mainly Shell). Revenue CAGR through the period is 6.6%



Financial Analysis

Summary of Terms: Newco Alpha

NewCoAlpha #1	Terms
Senior Facilities	- NLB, Uni, DVB NLB, CB NLB BrLB, HSH1, HSH2, DVB NLB SAN, DVB NLB, DVB
Amount	- \$485.5m (\$504.7m outstanding pre-transaction)
Interest	- Base Rate: LIBOR - Margin: 300bps w/ potential step-up based on prevalent rates
Amortization	- 9-month grace period - Straight line profile based on first 15 years of vessel life - 5 year maturity
Covenants	- 95% LTV at close - 85% in Q4 14; 80% in Q4 15
Security	- Share pledges, mortgages, earnings
Other	- Removal of all deposit accounts

NewCoAlpha #2	Terms
Senior Facilities	- Lloyds
Amount	- \$104.1m (no change)
Interest	- Base Rate: LIBOR - Margin: No change (300bps)
Amortization	- Current profile - Elimination of cash sweep
Covenants	- No change
Security	- Share pledges, mortgages, earnings
Other	- n/a

NewCoAlpha #3	Terms
Senior Facilities	- Natixis
Amount	- \$37.4m (no change)
Interest	- Base Rate: LIBOR - Margin Scope: 160bps - Margin Namrun: 120bbps - 300bps starting with refinancing of Namrun
Amortization	- Current profile
Covenants	- No change
Security	- Share pledges, mortgages, earnings
Other	- n/a

Financial Analysis

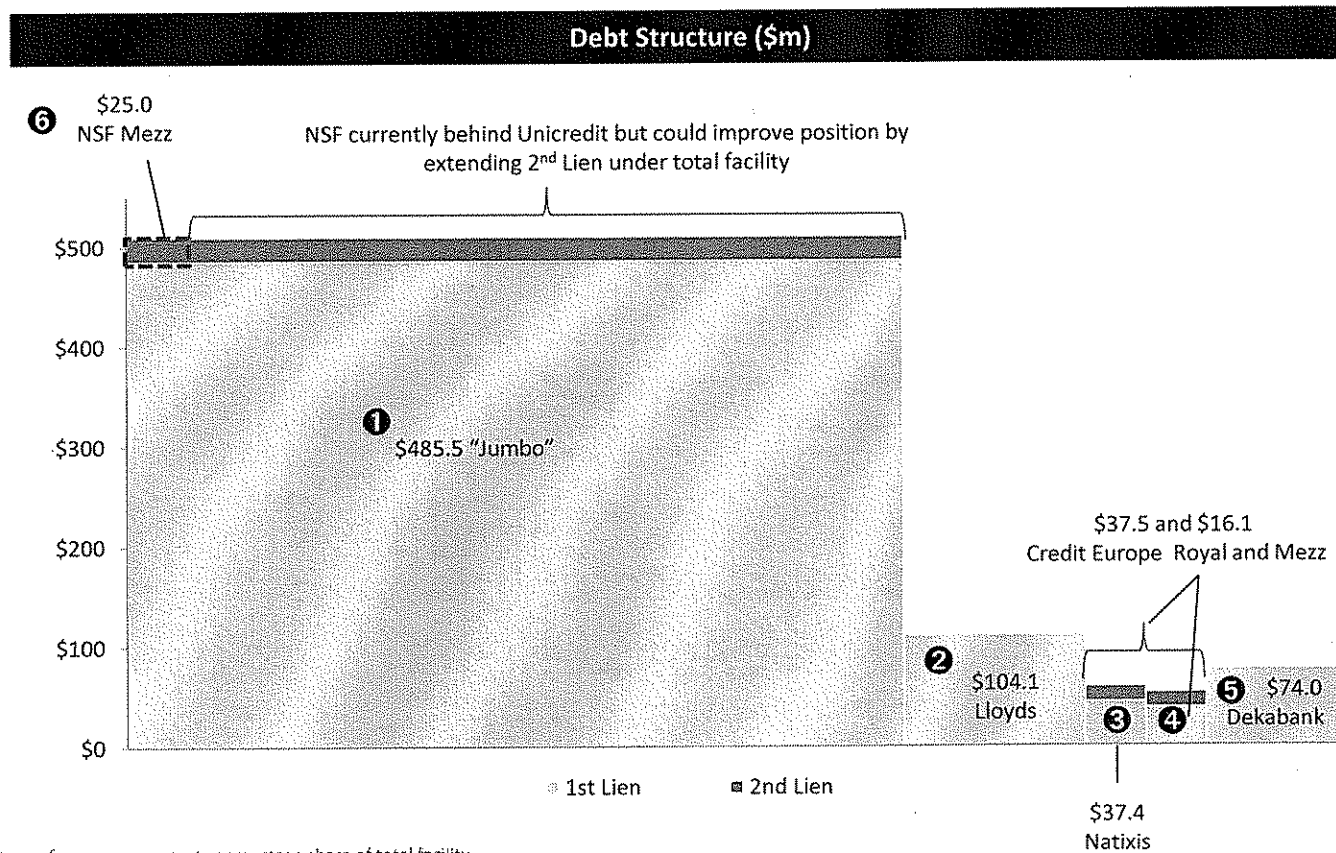
Summary of Terms: Newco Alpha

NewCoAlpha #4	Terms	NewCoAlpha #5	Terms
Senior Facilities	- Credit Europe 1 st and 2 nd Lien on Royal, Namrun, Scope	Senior Facilities	- Dekabank
Amount	- \$53.6m (\$37.5m 1 st plus \$16.1m 2 nd)	Amount	- \$74.0 (no change)
Interest	- Base Rate: n/a - Interest Royal 1 st Lien : 800bps - Interest 2 nd Lien: 1,000bps	Interest	- Base Rate: LIBOR - Margin Tarsus: 245bps - Margin Spot: 185bps - Margin Clear: 245bps
Amortization	- Current profile	Amortization	- Amortisation on a cash/pay-as-you-can basis from vessel earnings
Covenants	- 2 year grace and 5 year profile	Covenants	- Suspended
Security	- Share pledges, mortgages, earnings	Security	- Share pledges, mortgages, earnings
Other	- n/a	Other	- Removal of all deposit accounts - Coordination agreement prohibiting recourse to the remainder of the group
NewCoAlpha #6	Terms		
Senior Facilities	- NSF 2 nd Lien (behind Unicredit)		
Amount	- \$25.5m (no change)		
Interest	- Base Rate: n/a - Fixed Margin: 1,150bps		
Amortization	- Current profile		
Covenants	- No change		
Security	- 2 nd Mortgages with possibility of additional 2 nd priority mortgages on entire facilities		
Other	- n/a		

Financial Analysis

Summary of Terms: Newco Alpha

► The below tables summarises the features of debt on Newco Alpha



Financial Analysis

Newco Alpha Quarterly Cashflow

	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15
OPERATING ACTIVITIES											
Income	-	36.0	35.5	36.2	37.2	37.9	37.5	44.7	44.8	42.9	42.7
OPEX	-	(16.9)	(16.7)	(16.6)	(16.9)	(16.9)	(16.7)	(16.6)	(16.9)	(16.9)	(16.7)
Drydock	-	(0.4)	(1.0)	(0.5)	-	(0.9)	(0.8)	(0.9)	(1.8)	(0.9)	-
EBITDA	-	18.7	17.8	19.1	20.3	20.0	19.9	27.2	26.1	25.1	26.0
Working capital changes	-	-	-	-	-	-	-	-	-	-	-
Net operational cashflow	-	18.7	17.8	19.1	20.3	20.0	19.9	27.2	26.1	25.1	26.0
FINANCING ACTIVITIES											
Equity injections	-	74.4	-	-	-	-	-	-	-	-	-
Bank Interest (Senior)	-	(6.9)	(6.9)	(6.8)	(6.8)	(6.6)	(6.4)	(6.2)	(6.0)	(5.9)	(5.7)
Bank Principal Repayments ⁽¹⁾	-	-	(4.5)	(4.5)	(15.5)	(18.3)	(18.3)	(19.0)	(19.3)	(19.4)	(19.4)
NSF Interest (2nd lien)	-	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Pre-Del Drawdown	-	-	-	-	-	-	-	-	-	-	-
Bareboat Drawdowns	-	-	-	-	-	-	-	-	-	-	-
Pre-Del Repayments	-	-	-	-	-	-	-	-	-	-	-
Net Financing Cashflow	-	66.7	(12.2)	(12.1)	(23.0)	(25.6)	(25.4)	(26.0)	(26.1)	(26.0)	(25.9)
INVESTMENT ACTIVITIES											
Capex	-	-	-	-	-	-	-	-	-	-	-
Asset Purchases ⁽²⁾	-	(64.4)	-	-	-	-	-	-	-	-	-
Net Investment	-	(64.4)	-	-	-	-	-	-	-	-	-
Net cashflow for period	-	21.0	5.6	7.1	(2.7)	(5.6)	(5.5)	1.2	0.0	(1.0)	0.1
Cumulative net cash balance	-	20.8	26.4	33.5	30.7	25.1	19.6	20.8	20.8	19.9	20.0
RATIOS (Beginning of Period)											
Senior Debt Balance	-	(754.5)	(754.5)	(750.0)	(745.5)	(730.0)	(711.7)	(693.4)	(674.4)	(655.1)	(635.6)
NSF 2nd lien Balance	-	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)
Leverage: (Debt/EBITDA)	0.00x	10.44x	10.96x	10.13x	9.49x	9.44x	9.26x	6.60x	6.70x	6.79x	6.36x
Hamburg Jumbo Facility LTV		95%	96%	97%	98%	97%	96%	95%	94%	93%	92%
Hamburg Jumbo Value (depreciated)	-	511.0	504.7	498.5	492.2	485.9	479.6	473.4	467.1	460.8	454.5
Vessels	29	29	29	29	29	29	29	29	29	29	29

⁽¹⁾ 9 months principal deferral on the Jumbo facility would be necessary to establish minimum liquidity requirements. Shortfall in absence of this shown above.

⁽²⁾ Asset purchases net of new financing

⁽³⁾ Equity cure for 85% covenant in Q4 14 and 80% for Q4 16

⁽⁴⁾ Value based on depreciation of current market value; depreciation based on remaining life and scrap value (DWT/6*\$400)

Financial Analysis

Summary of Terms: Newco Beta

► The below tables summarises the features of debt on Newco Beta

NewCo Beta:	Terms
Senior Facilities	- CCB, CDB
Amount	- \$154.3m (no change)
Interest	- No change to existing agreements
Amortization	- No change to existing agreements
Covenants	- No change to existing agreements
Security	- No change to existing agreements
Other	- n/a

Financial Analysis

Newco Beta Quarterly Cashflow

	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15
OPERATING ACTIVITIES											
Income	-	9.3	9.2	9.4	8.8	6.4	6.4	7.2	7.4	7.4	7.3
OPEX	-	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
Drydock	-	-	-	(0.9)	(0.9)	-	-	-	-	-	-
EBITDA	-	7.1	7.0	6.4	5.8	4.2	4.2	5.0	5.2	5.2	5.1
Working capital changes	-	-	-	-	-	-	-	-	-	-	-
Net operational cashflow	-	7.1	7.0	6.4	5.8	4.2	4.2	5.0	5.2	5.2	5.1
FINANCING ACTIVITIES											
Equity injections	-	-	-	-	-	-	-	-	-	-	-
Bank Interest	-	(1.3)	(1.3)	(1.2)	(1.2)	(1.1)	(1.1)	(1.0)	(1.0)	(1.0)	(0.9)
Bank Principal Repayments	-	(6.1)	(6.1)	(6.1)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(3.4)	(3.4)
Bareboat Payments	-	-	-	-	-	-	-	-	-	-	-
Pre-Del Drawdown	-	-	-	-	-	-	-	-	-	-	-
Bareboat Drawdowns	-	-	-	-	-	-	-	-	-	-	-
Pre-Del Repayments	-	-	-	-	-	-	-	-	-	-	-
Net Financing Cashflow	-	(7.4)	(7.4)	(7.3)	(7.6)	(7.6)	(7.5)	(7.4)	(7.4)	(4.4)	(4.4)
INVESTMENT ACTIVITIES											
Capex	-	-	-	-	-	-	-	-	-	-	-
Asset Purchases	-	-	-	-	-	-	-	-	-	-	-
Net Investment	-	-	-	-	-	-	-	-	-	-	-
Net cashflow for period	-	(0.4)	(0.4)	(0.9)	(1.8)	(3.3)	(3.3)	(2.4)	(2.3)	0.8	0.7
Cumulative net cash balance	-	(0.4)	(0.8)	(1.7)	(3.5)	(6.8)	(10.2)	(12.6)	(14.8)	(14.1)	(13.3)
RATIOS (Beginning of Period)											
Debt Balance	-	(161.3)	(155.2)	(149.0)	(142.9)	(136.5)	(130.0)	(123.6)	(117.2)	(110.8)	(107.3)
Bareboat balance	-	-	-	-	-	-	-	-	-	-	-
Leverage: (Debt/EBITDA)	0.00x	5.69x	5.54x	5.82x	6.20x	8.06x	7.77x	6.13x	5.69x	5.37x	5.27x
Loan to value	0%	118%	115%	111%	108%	104%	100%	96%	92%	88%	86%
Value (depreciated)	138.0	136.7	135.4	134.1	132.8	131.4	130.1	128.8	127.5	126.2	124.9
Vessels	4	4	4	4	4	4	4	4	4	4	4

⁽¹⁾ Value based on depreciation of current market value; depreciation based on remaining life and scrap value (DWT/6*\$400)

Financial Analysis

Geden Oldco Quarterly Cashflow

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15
OPERATING ACTIVITIES												
Income	64.9	59.0	24.3	24.3	25.5	26.3	25.9	25.6	31.6	32.3	29.0	28.8
OPEX	(29.8)	(28.9)	(12.5)	(12.4)	(12.3)	(12.5)	(12.5)	(12.4)	(12.3)	(12.5)	(11.4)	(11.0)
Drydock	(0.4)	(0.8)	-	-	(0.5)	-	-	-	-	(0.7)	(1.3)	-
EBITDA	34.7	29.3	11.8	11.9	12.7	13.7	13.3	13.2	19.3	19.1	16.3	17.7
Working capital changes ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-
Net operational cashflow	34.7	29.3	11.8	11.9	12.7	13.7	13.3	13.2	19.3	19.1	16.3	17.7
FINANCING ACTIVITIES												
Equity injections	-	-	-	-	-	-	-	-	-	-	-	-
Bank Interest	(10.6)	(9.8)	-	-	-	-	-	-	-	-	-	-
Bank Principal Repayments	(23.8)	(29.9)	(39.5)	-	-	-	-	-	-	-	-	-
Bareboat Payments	(17.8)	(19.8)	(20.8)	(20.8)	(20.4)	(20.6)	(20.7)	(20.7)	(20.3)	(20.5)	(18.6)	(18.6)
Pre-Del Drawdown	45.0	8.5	-	-	-	-	-	-	-	-	-	-
Bareboat Drawdowns	119.3	25.3	25.3	-	-	-	-	-	-	-	-	-
Pre-Del Repayments	(57.9)	(12.2)	(13.2)	-	-	-	-	-	-	-	-	-
Net Financing Cashflow	54.0	(38.0)	(48.2)	(20.8)	(20.4)	(20.6)	(20.7)	(20.7)	(20.3)	(20.5)	(18.6)	(18.6)
INVESTMENT ACTIVITIES												
Capex	(82.7)	(42.3)	-	-	-	-	-	-	-	-	⁽²⁾	-
Asset Sale net proceeds	-	5.5	44.6	-	-	-	-	-	-	-	(23.9)	-
Net Investment	(82.7)	(36.8)	44.6	-	-	-	-	-	-	-	(23.9)	-
Net cashflow for period	6.0	(45.5)	8.2	(8.9)	(7.7)	(6.9)	(7.4)	(7.6)	(0.9)	(1.4)	(26.2)	(0.8)
Cumulative net cash balance	41.0	(4.5)	3.7	(5.3)	(12.9)	(19.8)	(27.2)	(34.8)	(35.7)	(37.1)	(63.4)	(64.2)
RATIOS (Beginning of Period)												
Debt Balance	(1,109.5)	(1,064.2)	-	-	-	-	-	-	-	-	-	-
Bareboat balance	(471.3)	(453.4)	(433.7)	(412.8)	(392.0)	(371.7)	(351.1)	(330.3)	(309.6)	(289.3)	(268.8)	(250.3)
Vessels	56	55	22	22	22	22	22	22	22	22	20	20

⁽¹⁾ Working Capital change reflects paydown of corporate facility with cash from sale transaction; \$10m outstanding to Rongsheng is left unpaid

⁽²⁾ Purchase obligations on sale leasebacks assumed to generate cash loss equivalent to deficiency between current outstanding obligation and market value



V. Conclusions

DEKABANK copy, ³⁹ March 6 2013

AlixPartners

Current Proposal

Strategy and Objectives

- The solution provides, directly or indirectly, for the primary objectives held by the different stakeholders.

Objective	Comments
1. Compensate stakeholders adequately for their risk-weighted capital exposure and concessions	<ul style="list-style-type: none"> Assets with similar risk profile pooled together provides for better aligned incentives Lenders provided with adequate equity cushion, margins, and covenants Provides for recategorization of exposure from "Geden Holdings Ltd" to Newco where equity is "in-the-money" and shareholders are better incentivized to provide ongoing support
2. Constrain formal or informal cross subsidization between stakeholders related to different underlying assets	<ul style="list-style-type: none"> While it reduces the portfolio effect of a broader fleet, combining similar assets together limits risk of cross subsidies going from high to low collateral vessels Pooling through creation of unique syndicate facility would facilitate granting of a second priority mortgage through the fleet as well as increase liquidity of bank assets, enabling lenders to sell out of assets without disrupting operations
3. Ring-fence potential sources of disruption, holdout, or nuisance (such as arrests or sister-ship arrests)	<ul style="list-style-type: none"> Common set of incentives and exposure to recovery protects lenders from disruptive behaviour onset by other stakeholders with a markedly different position Sister-ship arrest risk minimized given shareholding structure in Newco
4. Maximize options for stakeholders and potential for self-selection	<ul style="list-style-type: none"> Rebasing of assets can provide mechanism for transfer from one Newco profile to another (ie. Group C and D into A) Opting out of the scheme can be achieved via mutually agreed terms for redelivery of vessel to relevant lender



Contents

- A. Facility Description
- B. Financials: Existing
- C. Market Overview

DEKABANK copy, March 6 2013

AlixPartners

CONFIDENTIAL

Appendix

Facility Description

Facility	HSH1	HSH2	Natixis1	Natixis2	Icon1	Icon2	Octavian1	Octavian2
Debt / Bareboat	Debt	Debt	Debt	Debt	Bareboat	Bareboat	Bareboat	Bareboat
Vessels	Hero	Citron / Citrus	Scope	Namrun	Center	Fantasic / Amazing	Enjoy	Marka
Lender group	HSH	HSH	Natixis	Natixis	Icon [DVB]	Icon [DVB NLB]	Octavian [DVB]	Octavian [NLB]

Appendix: Transaction Analysis

Newco Beta Sources and Uses

Sources		Uses	
Existing debt rollover	154.3	Purchase at outstanding debt level	154.3
Total Sources	\$154.3	Total Uses	\$154.3

Additional liquidity to maintain operational cash balance not shown; Estimated at \$20m and could be financed via equity of deferrals

DEKABANK copy, March 6 2013

Appendix: Transaction Analysis

Residual Oldco Sources and Uses

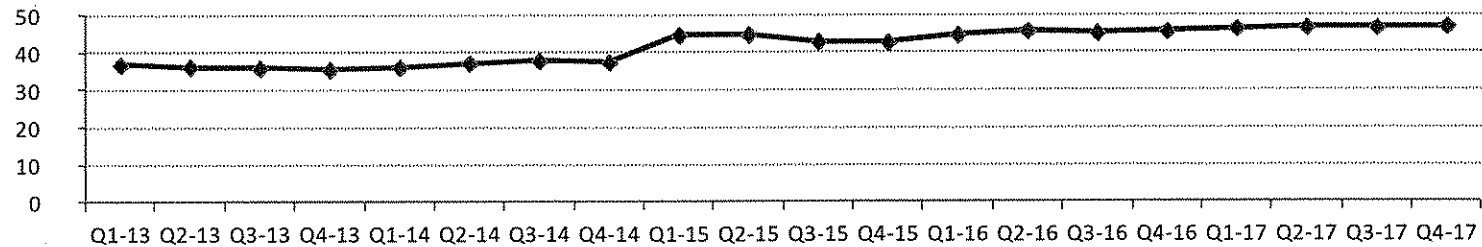
Sources		Uses	
Alpha Sale Receipts	828.6	Alpha Vessels Debt Repayment	780.0
Beta Sale Receipts	154.3	Beta Vessels Debt Repayment	154.3
Baytur Sale Receipts	13.6	Baytur Debt Repayment	8.4
Group C Sale Receipts	258.8	Group C Repayment	258.8
		Change in Working Capital (Repayment of A/P) & corp. facility	53.8
Total Sources	\$1,255.3	Total Uses	\$1,255.3

CONFIDENTIAL

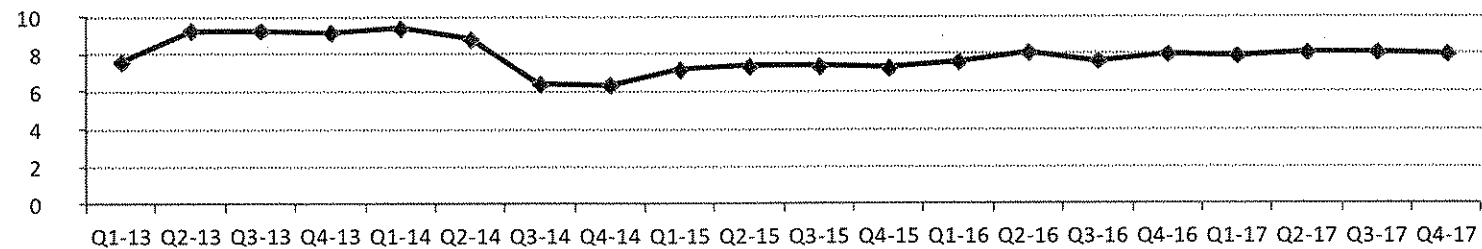
Assumptions

Revenue

Newco Alpha Revenue by quarter (\$m)

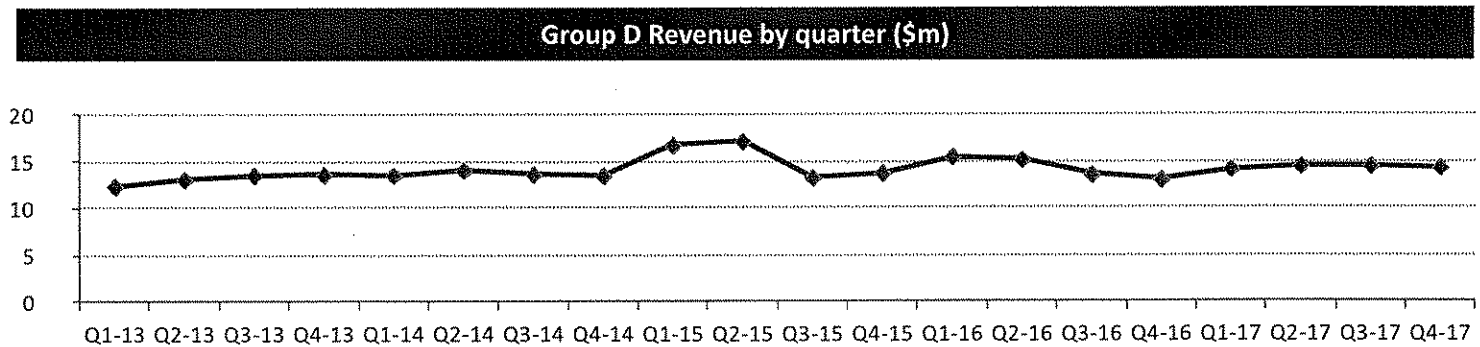
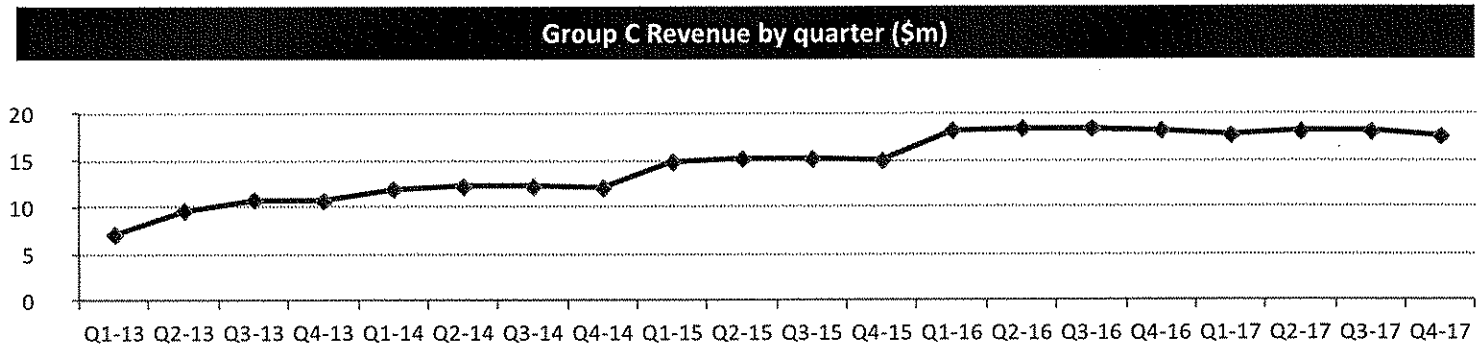


Newco Beta Revenue by quarter (\$m)



Assumptions

Revenue



Appendix: Additional Financial Analysis

Newco Alpha Five Year Cashflow

	2013	2014	2015	2016	2017
OPERATING ACTIVITIES					
Income	71.5	148.8	175.2	181.3	186.7
OPEX	(33.7)	(67.2)	(67.2)	(67.3)	(67.2)
Drydock	(1.4)	(2.3)	(3.6)	(6.3)	(2.3)
EBITDA	36.5	79.3	104.4	107.7	117.2
Working capital changes	-	-	-	-	-
Net operational cashflow	36.5	79.3	104.4	107.7	117.2
FINANCING ACTIVITIES					
Equity injections	74.4	-	-	-	-
Bank Interest (Senior)	(13.8)	(26.7)	(23.8)	(20.8)	(17.6)
Bank Principal					
Repayments	(4.7)	(56.6)	(77.2)	(79.1)	(78.2)
NSF Interest (2nd lien)	(1.5)	(2.9)	(2.9)	(2.9)	(2.9)
Pre-Del Drawdown	-	-	-	-	-
Bareboat Drawdowns	-	-	-	-	-
Pre-Del Repayments	-	-	-	-	-
Net Financing Cashflow	54.4	(86.2)	(104.0)	(102.7)	(98.8)
INVESTMENT ACTIVITIES					
Capex	-	-	-	-	-
Asset Purchases	(64.4)	-	-	-	-
Net Investment	(64.4)	-	-	-	-
Net cashflow for period	26.4	(6.8)	0.4	4.9	18.4
Cumulative net cash balance	26.4	19.6	20.0	24.9	43.3
RATIOS (Beg. of Period)					
Senior Debt Balance	(754.5)	(749.8)	(693.2)	(616.0)	(536.9)
NSF 2nd lien Balance	(25.5)	(25.5)	(25.5)	(25.5)	(25.5)
Leverage: (Debt/EBITDA)	21.40x	9.77x	6.88x	5.96x	4.80x
Hamburg Jumbo Facility LTV	95%	97%	95%	91%	86%
Value (depreciated)	511.0	498.5	473.4	448.3	423.2
Vessels	29	29	29	29	29

Appendix: Additional Financial Analysis

Newco Beta Five Year Cashflow

	2013	2014	2015	2016	2017
OPERATING ACTIVITIES					
Income	18.5	31.0	29.2	31.3	32.1
OPEX	(4.4)	(8.8)	(8.8)	(8.8)	(8.8)
Drydock	-	(1.7)	-	(1.3)	-
EBITDA	14.1	20.6	20.4	21.3	23.4
Working capital changes	-	-	-	-	-
Net operational cashflow	14.1	20.6	20.4	21.3	23.4
FINANCING ACTIVITIES					
Equity injections	-	-	-	-	-
Bank Interest	(2.6)	(4.6)	(3.9)	(3.3)	(2.7)
Bank Principal	-	-	-	-	-
Repayments	(12.3)	(25.4)	(19.7)	(20.2)	(20.2)
Bareboat Payments	-	-	-	-	-
Pre-Del Drawdown	-	-	-	-	-
Bareboat Drawdowns	-	-	-	-	-
Pre-Del Repayments	-	-	-	-	-
Net Financing Cashflow	(14.8)	(30.0)	(23.6)	(23.5)	(22.8)
INVESTMENT ACTIVITIES					
Capex	-	-	-	-	-
Asset Purchases	-	-	-	-	-
Net Investment	-	-	-	-	-
Net cashflow for period	(0.8)	(9.4)	(3.2)	(2.2)	0.5
Cumulative net cash balance	(0.8)	(10.2)	(13.3)	(15.6)	(15.0)
RATIOS (Beg. of Period)					
Debt Balance	(161.3)	(149.0)	(123.6)	(103.9)	(83.8)
Bareboat balance	-	-	-	-	-
Leverage: (Debt/EBITDA)	11.45x	7.24x	6.05x	4.89x	3.59x
Loan to value	117%	112%	97%	85%	72%
Value (depreciated)	138.0	132.8	127.5	122.3	117.0
Vessels	4	4	4	4	4

Appendix: Additional Financial Analysis

Residual Oldco Five Year Cashflow

	2013	2014	2015	2016	2017
OPERATING ACTIVITIES					
Income	172.5	103.2	121.6	121.3	105.5
OPEX	(83.7)	(49.7)	(47.2)	(39.6)	(33.6)
Drydock	(1.2)	(0.5)	(2.0)	(1.9)	(2.3)
EBITDA	87.7	52.9	72.4	79.7	69.6
Working capital changes	-	-	-	-	-
Net operational cashflow	87.7	52.9	72.4	79.7	69.6
FINANCING ACTIVITIES					
Equity injections	-	-	-	-	-
Bank Interest	(20.5)	-	-	-	-
Bank Principal Repayments	(93.2)	-	-	-	-
Bareboat Payments	(79.2)	(82.4)	(77.9)	(64.0)	(49.6)
Pre-Del Drawdown	53.4	-	-	-	-
Bareboat Drawdowns	169.8	-	-	-	-
Pre-Del Repayments	(83.3)	-	-	-	-
Net Financing Cashflow	(53.0)	(82.4)	(77.9)	(64.0)	(49.6)
INVESTMENT ACTIVITIES					
Capex	(125.0)	-	-	-	-
Asset Sale net proceeds	50.1	-	(23.9)	(37.2)	(24.1)
Net Investment	(75.0)	-	(23.9)	(37.2)	(24.1)
Net cashflow for period	(40.3)	(29.5)	(29.4)	(21.5)	(4.2)
Cumulative net cash balance	(5.3)	(34.8)	(64.2)	(85.7)	(89.9)
RATIOS (Beg. of Period)					
Debt Balance	(1,109.5)	-	-	-	-
Bareboat balance	(471.3)	(392.0)	(309.6)	(231.7)	(167.7)
Vessels	56	22	20	17	14

Appendix

Bank Exposure: Hamburg reduced to 90% LTV

- Equity required if LTV improved to 90% is \$90.0m (\$25.6m more than at an LTV of 95%)

	Estimated Value	Current debt	LTV Before	New Debt	LTV After	Change in debt	Change in LTV
Unicredit	99.0	94.9	96%	89.1	90%	(5.8)	-6%
NLB	170.1	168.8	99%	153.1	90%	(15.7)	-9%
DVB	106.3	103.4	97%	95.6	90%	(7.8)	-7%
Commerzbank	14.8	14.6	99%	13.3	90%	(1.3)	-9%
BrLB	13.1	13.0	99%	11.8	90%	(1.1)	-9%
Santander	23.8	22.5	95%	21.2	89%	(1.4)	-6%
HSH	92.0	94.6	103%	82.8	90%	(11.8)	-13%
GB Global	219.0	220.3	101%	220.3	101%	0.0	0%
CDB	72.0	88.1	122%	88.1	122%	0.0	0%
CCB	66.0	66.2	100%	66.2	100%	0.0	0%
Credit Europe	50.0	53.6	107%	53.6	107%	0.0	0%
Lloyds	137.0	104.1	76%	104.1	76%	0.0	0%
NSF	46.0	64.0	139%	64.0	139%	0.0	0%
Natixis	35.0	30.4	87%	30.4	87%	0.0	0%
Octavian	62.0	83.2	134%	83.2	134%	0.0	0%
Deka	54.0	74.0	137%	74.0	137%	0.0	0%
Icon	85.0	127.6	150%	127.6	150%	0.0	0%
Stealth	62.0	109.5	177%	109.5	177%	0.0	0%
FSL	52.0	121.6	234%	121.6	234%	0.0	0%
TOTAL	1,459.0	1,654.3	113%	1,609.4	110%	(44.8)	-3%

DRAFT & PRELIMINARY

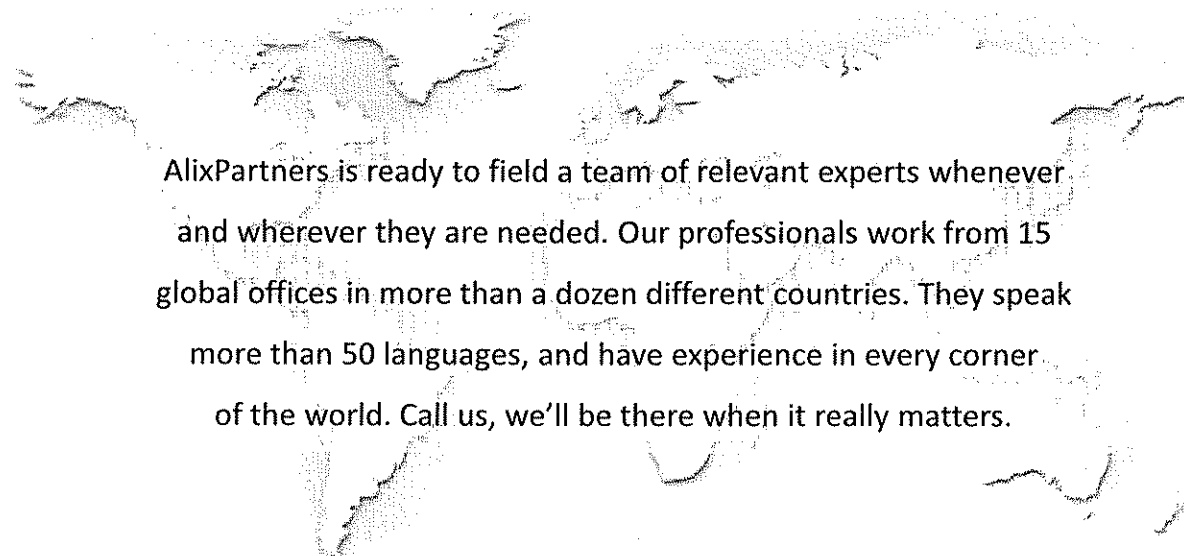
Appendix

Potential loss on bareboat purchase obligations

- There exist a number of obligations to purchase at future dates under the following bareboat agreements. The cashflows reflect the following losses occurring via purchase and resale at the obligation date. It assumes no changes to market values but applies depreciation to current estimated values over the time until the purchase and resale date. If the vessels were retained rather than crystallize the loss, then there would be a greater cash outflow for refinancing plus further ongoing loss on vessels were these occur.

	Purchase obligation (\$m)	Estimated value today (\$m)	Loss on resale	Depreciated value (\$m)	Loss on resale	Purchase Ob. Date	Years	Monthly depreciation
Avor	51.5	31	-20.5	27.6	-23.9	Aug-15	2.6	0.11
Enjoy	38.5	30	-8.5	25.5	-13.0	Apr-16	3.2	0.11
Centre	64.5	47	-17.5	40.2	-24.3	Jun-16	3.4	0.17
Marka	37	32	-5	26.0	-11.0	Apr-17	4.2	0.12
Fantastic	21.5	19	-2.5	14.9	-6.6	Oct-17	4.8	0.07
Amazing	21.5	19	-2.5	14.9	-6.6	Oct-17	4.8	0.07
TOTAL	234.5	178	-56.5	149.2	-85.3			

Global Locations



AlixPartners is ready to field a team of relevant experts whenever and wherever they are needed. Our professionals work from 15 global offices in more than a dozen different countries. They speak more than 50 languages, and have experience in every corner of the world. Call us, we'll be there when it really matters.

Chicago 300 N. LaSalle Street Suite 1900 Chicago, IL 60654 312.346.2500	Dallas 2101 Cedar Springs Road Suite 1100 Dallas, TX 75201 214.647.7500	Detroit 2000 Town Center Suite 2400 Southfield, MI 48075 248.358.4420	Dubai Gate Village 10, Level 03 P.O. Box 125115 Dubai Intl Financial Centre Dubai, United Arab Emirates +971.4.401.9246	Düsseldorf Königsallee 59 a 40215 Düsseldorf Germany +49.211.97.55.10.00	London 20 North Audley Street London W1K 6WE United Kingdom +44.20.7098.7400	Los Angeles 515 S. Flower Street Suite 3050 Los Angeles, CA 90071 213.437.7100	Milan Corso Matteotti 9 20121 Milan Italy +39.02.360.12000
Munich Mauerkircherstr. 1 a 81679 München Germany +49.89.20.30.40.00	New York 40 West 57 th Street New York, NY 10019 212.490.2500	Paris 49/51 Avenue George V 75008 Paris France +33.1.76.74.72.00	San Francisco 4 Embarcadero Center 31 st Floor, Suite 3110 San Francisco, CA 94111 415.848.0283	Shanghai Suite 6111 Plaza 66 Building I 1266 Nan Jing West Road Shanghai, 200040 China +8621.6171.7555	Tokyo Marunouchi Building 33F 2-4-1 Marunouchi Chiyoda-ku Tokyo 100-6333 Japan +81.3.5533.4800	Washington, DC 1602 L Street, NW Suite 300 Washington, DC 20036 202.756.9000	

EXHIBIT 10

ADMIRALTY

GULSUN NAZLI KARAMEHMET-WILLIAMS; and TUGRUL TOKGOZ, pursuant to Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure.

I have personally inquired or have directed inquiries into the presence of the Defendants in this District.

I have directed attorneys in my firm to check with the office of the Louisiana Secretary of State, using the Secretary of State's database, to determine whether the Defendants can be located within this District. SPACE SHIPPING LTD.; ADVANTAGE START SHIPPING, LLC; GENEL DENIZCILIK NAKLIYATI A.S. A/K/A GEDEN LINES; GEDEN HOLDINGS, LTD; ADVANTAGE TANKERS, LLC; ADVANTAGE HOLDINGS, LLC; FORWARD HOLDINGS, LLC; MEHMET EMIN KARAMEHMET; GULSUN NAZLI KARAMEHMET-WILLIAMS; TUGRUL TOKGOZ are not registered with the Louisiana Secretary of State. Accordingly, I have determined that, as of April 20, 2018, none of these Defendants are incorporated or registered as foreign corporations pursuant to the laws of Louisiana, and have neither nominated nor appointed any agent for the service of process within this District.

I have directed attorneys in my firm to engage a search of the Superpages telephone directory on the internet, and determined that there are no telephone listings or addresses for the Defendants within this District.

I have engaged in a "Google search" in order to determine whether any of the Defendants can be located within this District. The Google search results did not provide a listing for the named Defendants save for GEDEN HOLDINGS, LTD. for which it showed a former registration with the Secretary of State of Louisiana, which was withdrawn in 2016, and remains inactive.

I am unaware of any general or managing agent(s) of the named Defendants within this District.

In that I have been able to determine that the Defendants have not appointed agent for service of process within the Eastern District of Louisiana, and that I have found no indication that the Defendant can be found within this District for the purposes of Rule B, I have formed a good faith belief based on my own investigation and that of the attorneys under my direction that the Defendants do not have sufficient contacts or business activities within this District and do not have any offices or agents within this District that may defeat the conditions for issuance of process of maritime attachment under Rule B of the Supplemental Rules for Admiralty and Maritime Claims as set forth in the Federal Rules of Civil Procedure.

It is my belief, based upon my investigation and that performed by attorneys in my firm under my direction that the Defendants cannot be found within this District for purposes of Rule B of the Supplemental Rules of Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure.

Dated: April 20, 2018
Houston, Texas

Respectfully submitted,

Gaitas, Kennedy & Chalos, P.C.

By: /s/ George A. Gaitas

George A. Gaitas
Louisiana State Bar No. 05879
Federal Bar No. 705176
6250 Westpark Dr.
Suite 222
Houston, Texas 77057
Telephone: 281-501-1800
Fax: 832-962-8178
E-mail: gaitas@gkclaw.com

Attorneys for Plaintiff

PSARA ENERGY, LTD.

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF LOUISIANA**

PSARA ENERGY, LTD.

Plaintiff

**SPACE SHIPPING, LTD.; GEDEN HOLDINGS:
LTD.; ADVANTAGE START SHIPPING,
LLC; GENEL DENIZCILIK NAKLIYATI A.S.
A/K/A GEDEN LINES; ADVANTAGE
TANKERS, LLC; ADVANTAGE HOLDINGS,
LLC; FORWARD HOLDINGS, LLC;
MEHMET EMIN KARAMEHMET;
GULSUN NAZLI KARAMEHMET
WILLIAMS; and TUĞRUL TOKGÖZ**

Defendants

ADMIRALTY

VERIFICATION OF COMPLAINT

Pursuant to 28 U.S.C. §1746, Despoina Bacha, declares under the penalty of perjury:

1. I am an individual of sound mind, and have never been convicted of a crime of moral turpitude.

2. I am a citizen of Greece and a resident of Athens and a lawful representative of the Plaintiff in the above action and duly authorized on its behalf to make this verification.

3. I have read the foregoing Verified Complaint and exhibits thereto in the above captioned action and know the contents thereof; and

I declare under the penalty of perjury under the laws of the United States that the foregoing is true and correct.

Signed in Athens, Greece this 18th day of April, 2018.



Despoina Bacha

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

PSARA ENERGY, LTD.

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Gaitas, Kennedy & Chalos, P.C.
6250 Westpark Dr., Ste. 222, Houston, Texas, 77057
281-501-1800

DEFENDANTS

Space Shipping, Ltd.; Geden Holdings, Ltd.; Advantage Start Shipping, LLC; Genel Denizcilik Nakliyatı A.S. a/k/a Geden Lines; Advantage Tankers, LLC; Advantage Holdings, LLC; Forward Holdings, LLC; Mehmet Emin Karamehmet; Gulsun Nazli Karamehmet Williams; Tugrul Tokgoz

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question
(U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|-----------------------------------------|----------------------------|----------------------------|---------------------------------------------------------------|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input checked="" type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 U.S.C. § 1333; 9 U.S.C. §§ 4, 8

Brief description of cause:

Fed. R. Civ. P. Rule 9(h) Breach of Maritime Contract

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE _____ DOCKET NUMBER _____

DATE

04/20/2018

SIGNATURE OF ATTORNEY OF RECORD

/s/George A. Gaitas

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
- United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the six boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

EXHIBIT C

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION

PSARA ENERGY, LTD.,

Plaintiff,

vs.

NO.1:18-CV-00178-MAC

SPACE SHIPPING, LTD., et al.,

Defendants.

ORDER FOR SUBSTITUTE SECURITY

This case is assigned to the Honorable Marcia A. Crone, United States District Judge, and is referred to the undersigned United States Magistrate Judge for pretrial management. Pending before the court is the “Advantage Defendants’ Motion to Vacate Attachment or, Alternatively, for Reduction in Security.” Doc. No. 7.

I. Background

On April 20, 2018, Plaintiff Psara Energy, Ltd. (Psara) filed suit for breach of contract against the Defendants pursuant to FED. R. CIV. P. 9(h), Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims (“Rule B”), and the Federal Arbitration Act, 9 U.S.C. §§ 4, 8 in aid of maritime arbitration. Doc. No. 1, at 1–2. According to the complaint, Psara alleges it entered into a bareboat charter agreement in 2010 with Defendant Geden Holdings, Ltd. to charter the CV STEALTH vessel. *Id.* at 5. The charter was amended so that Defendant Geden Holdings became the “performance guarantor” of Defendant Space Shipping, Ltd. *Id.* Though Defendant Space Shipping, Ltd. was obligated to keep the vessel in a good state of repair with up-to-date classifications, it failed to do so. *Id.* In 2014, the CV STEALTH was detained in Venezuela for more than three years by prosecutorial authorities, and Defendant Space Shipping, Ltd. failed

to return the ship by the contractual redelivery date. *Id.* at 7. When the CV STEALTH was finally released from Venezuela, it was out-of-class and so extensively damaged due to neglect that it was incapable of sailing and in need of extensive repairs. Doc. No. 1, at 8. Defendant Space Shipping, Ltd. towed the CV STEALTH to Trinidad where Psara took possession on March 24, 2018. *Id.* Due to the extensive damage to the CV STEALTH, Psara has initiated a London maritime arbitration claim for damages equivalent to the repaired market value of the ship (\$18,000,000.00) and amounts for unpaid charter hire, legal costs, interest, and other costs (an additional \$1,860,063.80). *Id.* at 10, 25. Due to the transfer of a vessel fleet from Defendant Geden Holdings, Ltd. to other corporate entities (including Defendants), Psara brings suit against the current slate of Defendants under fraudulent transfer and corporate succession theories. *See generally id.*

Psara filed its “Motion for Order Authorizing Issuance of Process of Maritime Attachment and Garnishment” (Doc. No. 3) on the same day as the complaint. The motion requested the court issue a writ of maritime attachment for a shipping vessel—the M/T ADVANTAGE ARROW, IMO #: 9419448, Call Sign: V7KZ7—located within this judicial district. Doc. No. 3, at 2. An *ex parte* order was entered directing the United States Marshal for the Eastern District of Texas to seize and attach the M/T ADVANTAGE ARROW, and a bond to obtain the release of the vessel was fixed at \$19,860,063.80.¹ Doc. No. 4. The vessel was seized and attached. *See* Doc. No. 8.

On April 26, 2018, Defendants Advantage Arrow Shipping, LLC, Advantage Tankers, LLC, Advantage Holdings, LLC, and Forward Holdings, LLC (“Advantage Defendants”) made a special appearance to file their “Motion to Vacate Attachment or, Alternatively, for Reduction in Security.” Doc. No. 7. Psara filed a response to the motion to vacate (Doc. No. 11), and a hearing was held on the motion before the undersigned on April 30, 2018. Doc. No. 13. At the hearing,

¹ All monetary figures are in U.S. Dollars.

the parties were instructed to attempt to reach an agreement by May 4, 2018, concerning the amount of substitute security to be provided in lieu of keeping the M/T ADVANTAGE ARROW under attachment, otherwise the court would determine the amount of substitute security. On May 1, 2018, the Advantage Defendants informed the court that the parties are unable to reach an agreement because of “an apparent fundamental disagreement regarding how the amount of security should be calculated,” and the Advantage Defendants request the court determine the amount of substitute security at the court’s earliest convenience. Doc. No. 14, at 2. Psara’s response, though blaming the Advantage Defendants for unilaterally deciding to cease negotiations, illustrates the fundamental disagreement regarding which figures should be used in calculating substitute security. *See* Doc. No. 15. At the hearing, and by subsequent motion (Doc. No. 17), the parties also dispute which party is responsible to pay dockage fees for the attachment of the M/T ADVANTAGE ARROW.

II. Legal Standard

Rule E of the Supplemental Rules for Certain Admiralty and Maritime Claims (“Rule E”) addresses substitute security:

In the event of the inability or refusal of the parties [to stipulate the amount and nature of the security,] the court shall fix the principal sum of the bond or stipulation at an amount sufficient to cover the amount of the plaintiff’s claim fairly stated with accrued interest and costs; but the principal sum shall in no event exceed (i) twice the amount of the plaintiff’s claim or (ii) the value of the property on due appraisal, whichever is smaller. The bond or stipulation shall be conditioned for the payment of the principal sum and interest thereon at 6 per cent per annum.

Rule E(5)(a). Rule E itself provides no further instructions on calculating the “fairly stated” value of a plaintiff’s claim, and “guiding standards are sparse.” *Billfish Marina One, Inc. v. M/Y Hideaway*, 2017 A.M.C. 1743 (S.D. Fla. Jan. 23, 2017). Evidence from outside the complaint (i.e. affidavits) may be considered in determining the fairly stated amount of a plaintiff’s claim. *20th*

Century Fox Film Corp. v. M.V. Ship Agencies, Inc., 992 F. Supp. 1429, 1430 (M.D. Fla. 1997) (The court “may look beyond the ‘four corners’ of the claim” in determining the “fairly stated” claim amount) (citing 7A Moores Fed. Prac. 2d Ed. ¶ E.13[2] at E–612–613); *see also Transportes Navieros y Terrestres S.A. de C.V. v. Fairmount Heavy Transp.*, 2009 A.M.C. 2628 (2d Cir. 2009) (“In light of the historical practice and purpose of maritime attachments, we conclude that a court may assess preliminarily the reasonableness of plaintiff’s damages claim when setting a security under Rule E(5).”). A plaintiff does not need to prove damages with “exactitude,” but the court should satisfy itself during the preliminary assessment that a plaintiff’s claims are not “frivolous.” *Transportes Navieros*, 2009 A.M.C. 2628.

The Advantage Defendants argue that under English law “the proper measure of damages is the diminution in value of the vessel by reason of the charterer’s breach.” Doc. No. 7, at 17 (citing M. Davis, *Bareboat Charters* § 15.12 at 90 (Informa Law 2005), citing *Channel Island Ferries Ltd. v. Cenargo Navigation Ltd.* (The “Rozel”), [1994] 2 Lloyd’s Rep. 161). Psara does not explicitly refute this articulation of English law. Psara sets out a formula for all of the variables involved in such a calculation in the instant case. *See* Doc. No. 15, at 3–4.

The substitute security for the release of the vessel must include not only the amount that would be due at the time of the substitute security hearing, but a sufficient sum to cover payment of the claim when the case would ultimately come to trial. *Angad v. M/V Fareast Trader*, 1989 A.M.C. 2721 (S.D. Tex. 1989). “Any ultimate recovery against the res itself is limited to the amount of the bond; therefore it is prudent to err on the high side.” *20th Century Fox*, 992 F. Supp. at 1434.

Under federal law, courts have not included attorney’s fees in the substitute security amount because there is no federal statute authorizing such an award. *See Billfish Marina One*,

2017 A.M.C. at 1746; *Result Shipping Co. v. Ferruzzi Trading USA Inc.*, 56 F.3d 394 (2d Cir. 1995) (holding, under the well-established “American Rule,” prevailing parties do not recover attorney’s fees from the losing party, absent a statute or contractual provision to the contrary.). Accordingly, the Advantage Defendants are likely not entitled to attorney’s fees for defending the instant case in this court. However, Rule E(2)(b) does appear to authorize including attorney’s fees as part of the substitute security amount (when appropriate), and Psara has requested its attorney’s fees for London arbitration to be included. Doc. No. 1, at 11. The English legal system does not follow the “American Rule,” and arbitration tribunals commonly tax costs and attorneys’ fees to the losing party. *Arbitration Act of 1996*, c. 23, § 61 (Eng.).

III. Analysis

A. Substitute Security Formula

As stated previously, the Advantage Defendants argue “the proper measure of damages is the diminution in value of the vessel by reason of the charterer’s breach” under English law. Doc. No. 7, at 17. Accordingly, the Advantage Defendants simply calculate the proper amount of substitute security as the repaired value of the CV STEALTH (\$9,500,000) subtracted by its scrap value (\$7,825,000), resulting in \$1,675,000. Doc. No. 7-4.

Psara’s most recent filing argues the proper method to calculate the “quantum of its claim fairly stated” is to:

- begin with the **repaired value of the CV STEALTH vessel**;
- subtract the **scrap value of the vessel**;
- add the **towage fees related to scrapping the vessel**;
- add the **amount of unpaid charter hire**;
- add **interest**;
- add **costs**; and
- add **lawyer’s fees**.

Doc. No. 15, at 3–4. Based on the figures suggested by Psara, this calculation results in a claim for “\$15,910,208.30 at the very least.” *Id.* at 4.² Though Rule E(5)(a) might allow them to request it, Psara does not request a substitute security of up to twice that amount. Instead, Psara requests a substitute security of \$16,000,000 even. The formula suggested by Psara for calculating the value of the CV STEALTH itself is the same as the Advantage Defendants’ formula, though Psara also specifically addresses the other damages that may be included in the overall claim amount. The parties obviously differ on the value of the variables within the formula.

B. Substitute Security Variables

1. Value of the CV STEALTH

Psara argues that the market value of the CV STEALTH (fully repaired) is \$18,000,000.00. Doc. No. 15, at 4. Psara arrived at this market value based on a claim written by Barrister Alexander Wright with Chambers at 4 Pump Court in London in March 2018. Doc. No. 11, at 15. However, Barrister Wright does not provide *any* facts underlying the bald assertion that the “(repaired) market value of the Vessel . . . is USD 18 million.” Doc. No. 11, Ex. 5, at 5–6. Accordingly, the claim from Barrister Wright is unhelpful in determining the value of the CV STEALTH because he does not point to any underlying evidence that aided him in his conclusion.

By coincidence, one month *after* Barrister Wright made his claim that the CV STEALTH’s repaired value was \$18,000,000, an April 2018 valuation letter from “international ship sale and purchase brokers Cass Technava in Piraeus, Greece,” states that the CV STEALTH (in good repair) is worth approximately \$18,000,000. Doc. No. 11-6. Psara relies on Cass Technava’s

² Psara’s figures: \$18,000,000 repaired value – \$3,600,000 scrap value after towing fees + \$510,208.33 unpaid charter hire + \$1,000,000 for interest, legal costs, and recoverable legal fees = \$15,910,208.33 (Psara miscalculated the figure by three cents). Doc. No. 15, at 3–4. The combined value for interest, legal costs, and recoverable legal fees is listed as \$1,000,000 in Doc. No. 15, but in the complaint it was listed as \$6515.50 in awarded legal costs, \$943,340 in interest and \$400,000 in recoverable legal fees. Doc. No. 1, at 25.

valuation in their argument concerning the market value of the ship. Doc. No. 11, at 15. However, the Cass Technava letter is also of little value for the following reasons: (1) no information is provided about the qualifications of the authors; and (2) there is no underlying factual basis for arriving at the valuation figure (i.e. the valuation does not specify if it has taken into account similar vessels which have been sold for comparable amounts). Doc. No. 11-6.

Psara's most recent filing addresses, for the first time, how the scrap value of the CV STEALTH should be subtracted from its market value when calculating the substitute security. Doc. No. 15. Without any supporting documentation of the scrap value or towing costs, Psara posits that the scrap value is \$3,600,000 *after* towage fees to Trinidad. *Id.* at 3. The CV STEALTH is already in Trinidad according to Psara. Doc. No. 1, at 8. Psara bases its figure on a declaration from an English Solicitor, Jeremy Biggs, who represents Psara in London arbitration proceedings. Doc. No. 15-1, at 1. Mr. Biggs makes his claim that the scrap value is \$3,600,000 after towing without *any* supporting documentation or reference to any external sources. *Id.* at 3. Mr. Biggs' estimate is conclusory because he does not point to any underlying evidence that aided him in his conclusion.

The Advantage Defendants provided a declaration and ship valuation from Mr. Paul Willcox of C.W. Kellock & Co., a ship valuation company based in London. Doc. No. 7-4. Mr. Willcox values the CV STEALTH "in sound trading condition" at \$9,500,000, and the "demolition value" as \$7,825,000. Mr. Willcox's valuations appear reliable for the following reasons: (1) Mr. Willcox is employed as a "senior ship valuer"; (2) he has prepared expert reports and given evidence in two separate cases in the United States Bankruptcy Court for the Southern District of Texas in 2011 and 2012; (3) under penalty of perjury, Mr. Willcox declares that the two valuation reports attached are true and accurate copies of the originals; (4) both valuations specify that Mr.

Willcox has taken into account similar vessels which have been offered for sale in light of the market knowledge and experience of C.W. Kellock & Co. within the industry; and (5) pursuant to his declaration, the Advantage Defendants have Mr. Willcox's written permission to rely on the valuations in this court. Doc. No. 7-4. Because Mr. Willcox's valuations have some factual basis, he sets forth his qualifications for his expertise (including the admission of his expert testimony in an adjacent federal district), and the Advantage Defendants have his permission to use his valuation in court, the undersigned finds his valuation more credible than Psara's valuation. The values from Mr. Willcox's valuation will be used in the substitute security amount.

2. *Towing Costs*

Neither party has specifically addressed the costs of actually towing the CV STEALTH for demolition. Psara argues that the scrap value itself is \$3,600,000 *after* towing costs to Trinidad, but they do not offer an estimation of what the towing costs would be or any information about alternative destinations. Doc. No. 15-1, at 3. The Advantage Defendants rely on Mr. Willcox's valuation which assumes the ship will be delivered to India for demolition, but he does not specify the cost of towing to India or any alternative destination. It is the responsibility of Psara to state with "particularity" in the complaint the circumstances from which the claim arises to allow the Defendants to investigate and frame their responsive pleading. Rule E(2)(a). *See Marina Mgmt. Servs., Inc. v. Vessel My Girls*, 202 F.3d 315 (D.C. Cir. 2000) ("[I]t was incumbent on [plaintiff] under Rule E to state the amount of its claim with particularity, indicating the basis for arriving at that amount, inasmuch as [the parties] could not agree on the amount of the bond to be posted to secure release of his boat."). Because Psara has not stated towing costs with any particularity—Psara has not even given an estimated figure—no towing costs will be included in the substitute security amount.

3. *Interest*

Psara claims reasonable interest at 6% (compounded quarterly for one year) amounts to \$943,340, but they did not inform the court exactly how this amount was calculated. Doc. No. 1, at 25. The Advantage Defendants implicitly concede that some interest may be proper in the substitute security amount, but they argue the interest amount requested by Psara is too high based on the CV STEALTH's proper valuation and should be "adjusted according[]" to the ship's true, lower valuation. Doc. No. 7, at 18. However, the Advantage Defendants also fail to inform the court exactly how the interest should be calculated. Based on a the calculated damages for the CV STEALTH at \$1,675,000.00 (Mr. Willcox's fair market value minus scrap value), the interest rate of 6% (compounded quarterly for one year) results in an interest amount of \$102,783.95. This amount will be included in the substitute security amount.

4. *Legal Costs*

For previously awarded legal costs, Psara claims \$6515.50. The Advantage Defendants mention, but never challenge, the previously awarded legal costs claimed by Psara. *See* Doc. No. 7, at 17. Accordingly, this amount will be included in the substitute security amount. Psara also seeks \$400,000 in legal costs that "will be incurred to pursue these claims in London maritime arbitration proceedings" because it is customary in London arbitration for the prevailing party to be entitled to legal costs and lawyers' fees. Doc. No. 1, at 11; *see also Arbitration Act of 1996*, c. 23, § 61 (Eng.). The Advantage Defendants argue that Psara has provided "no support or evidence for its claimed entitlement to security for \$400,000 in recoverable legal fees and costs," but they do not provide the court with what they believe to be a reasonable figure. Doc. No. 7, at 18–19.

Given the already contentious nature of the proceedings in this court³ concerning the Rule B attachment, \$400,000 appears to be a reasonable figure if the parties pursue the claim in London arbitration. Psara will likely be awarded its costs if it wins in arbitration, and \$400,000 will be included in the substitute security amount.

C. Dockage Fees

At the hearing on April 30, 2018 (Doc. No. 13), and by subsequent motion (Doc. No. 17), the parties also dispute which party is responsible to pay dockage fees after the attachment of the M/T ADVANTAGE ARROW. In *Beauregard*, the court required all seizing parties to share in the cost of maintaining a seized ship. *Beauregard, Inc. v. Sword Servs. L.L.C.*, 107 F.3d 351, 353 (5th Cir. 1997) (“Often the party that filed a suit will pay the entire cost of maintaining the *res* until the resolution of the case. At the judicially ordered sale, the cost of maintenance is deducted from the sale proceeds before the remaining proceeds are divided among the claimants. Therefore, even when a single litigant advances the cost of maintenance, all claimants are eventually required to share in this cost.”). Under 28 U.S.C. § 1921(a)(1)(E), the United States marshals shall collect fees for “keeping of attached property,” including ships. United States Marshal Service Policy Directive 11.9 implies that arresting parties are ordinarily responsible for dockage fees. *See* Doc. No. 17-5, at 8 (“The ‘initial’ arresting party is responsible for making the payments.”). This appears to be the case even when the Marshal uses another entity to store the property. *See Marastro Compania Naviera S.A. v. Canadian Mar. Carriers, Ltd.*, 963 F.2d 754, 757 (5th Cir. 1992) (“The court holds the marshal responsible for the execution of the writ, including the storage and safekeeping of the seized property although it is customary and common practice for the

³ Psara has also attached another ship owned by a related Advantage entity in the Eastern District of Louisiana based upon similar allegations. *See Psara Energy, Ltd. et al v. Space Shipping, Ltd. et al.*, Case No. 2:18-cv-4111-ILRL-JCW.

marshal on occasion to delegate certain of these duties, including storage and safekeeping to others.”). Accordingly, the court determines, at this time, that Psara is responsible to pay the dockage fees (and other fees) associated with arresting the vehicle and docking it since the arrest.

D. Conclusions

For the purposes of this order for substitute security, the undersigned makes the following calculations:

Repaired Value of CV STEALTH	\$9,500,000.00
Scrap Value of CV STEALTH	(\$7,825,000.00)
Unpaid Charter Hire ⁴	\$510,208.33
Towing	\$0.00
Interest	\$102,783.95
Awarded Legal Costs	\$6,515.50
<u>Future Legal Costs</u>	<u>\$400,000.00</u>
TOTAL of Fairly Stated Claim:	\$2,694,507.78

Under Rule E(5)(a), the parties were unable (or refused) to stipulate to a substitute security amount, and the court fixes the sum. Psara’s claim, fairly stated, amounts to \$2,694,507.78. **The undersigned fixes the substitute security amount at \$4,000,000.00** because “[a]ny ultimate recovery against the res itself is limited to the amount of the bond; therefore it is prudent to err on the high side.” *20th Century Fox*, 992 F. Supp. at 1434. The substitute security of \$4,000,000 does not, under Rule E(5)(a) “exceed (i) twice the amount of the Plaintiff’s claim,” nor does it exceed “(ii) the value of the property on due appraisalment.” Rule E(5)(a).

It is, therefore, **ORDERED** that the Advantage Defendants’ “Motion to Vacate Attachment or, Alternatively, for Reduction in Security” is **GRANTED in part** because a

⁴ See Doc. No. 7, at 17 (Advantage Defendants mention, but never challenge, the unpaid charter hire figure claimed by Psara).

reduction in security is appropriate at this time. The court will address the “Motion to Vacate Attachment” at a later time.

It is further **ORDERED** that upon the posting of **\$4,000,000.00** in cash security into the registry of the Court as substitute security, the attachment of the M/T ADVANTAGE ARROW shall then be released. This order is intended to set substitute security for the claims alleged by Psara in this action, without additional seizure of the M/T ADVANTAGE ARROW, and is not intended to be and is not a waiver of any rights, remedies, claims, counterclaims, or defenses that may be available to any Party.

It is further **ORDERED** that Psara shall be responsible for paying the custodial costs associated with the attachment and docking of the ship in connection with the instant case. Should the Advantage Defendants not post the substitute security by 8:00 AM on May 11, 2018, the Advantage Defendants will then be responsible for the costs associated with docking of the ship after that date.

It is further **ORDERED** that the Advantage Defendants’ “Emergency Opposed Motion for Order Regarding Payment of Custodial Costs” (Doc. No. 17) is **DENIED** as moot.

SIGNED this 4th day of May, 2018.



Zack Hawthorn
United States Magistrate Judge

EXHIBIT D

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION**

PSARA ENERGY, LTD.

Plaintiff

**SPACE SHIPPING, LTD.; GEDEN
HOLDINGS, LTD.; ADVANTAGE ARROW
SHIPPING, : LLC; GENEL DENIZCILIK
NAKLIYATI A.S. : A/K/A GEDEN LINES;
ADVANTAGE TANKERS, LLC; ADVANTAGE
HOLDINGS, : LLC; FORWARD HOLDINGS,
LLC; MEHMET EMIN KARAMEHMET;
GULSUN NAZLI KARAMEHMET-
WILLIAMS; and TUGRUL TOKGOZ**

C.A. NO. 1:18-CV-00178

ADMIRALTY

Defendants

Bond No SU55698

SPECIAL RELEASE BOND

TO THE HONORABLE JUDGES OF SAID COURT:

WHEREAS a Verified Complaint was filed in this Court on April 20, 2018, by Plaintiff Psara Energy, Ltd. ("PSARA") against several defendants including: Advantage Arrow Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC; and

WHEREAS PSARA attached property belonging to Advantage Tankers, LLC i.e., the MT ADVANTAGE ARROW IMO No. 9419448 and international call sign V7KZ7, registered in the Marshall Islands to Defendant Advantage Arrow Shipping, LLC, pursuant to Rule B of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions ("Supplemental Rules") to the Federal Rules of Civil Procedure; and

WHEREAS on April 26, 2018 Advantage Arrow Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC; made a restricted appearance

pursuant to Rule E(8) of the Supplemental Rules; and

WHEREAS on May 4, 2018, the Court ordered that, to obtain release of the MT ADVANTAGE ARROW from seizure and attachment "...upon the posting of **\$4,000,000.00** in cash security into the registry of the Court as substitute security, the attachment of the MIT ADVANTAGE ARROW shall then be released."

NOW, THEREFORE, for the benefit of PSARA that Advantage Arrow Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, as principals, and Aspen American Insurance Company, as surety, are held and firmly bound to PSARA in the principal fixed sum of, and not to exceed, FOUR MILLION DOLLARS (\$ 4,000,000), upon condition that if Advantage Arrow Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC shall abide by orders of the Court, or of any appellate court to which this action may proceed should an appeal be taken, and shall pay the amount, if any, awarded against Advantage Arrow Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, or any of them by final order rendered in this action, after any appeal, including any and all interest, costs and attorney's fees awarded by the Court, after any appeal, then this obligation shall be void; otherwise, it shall remain in full force.

This Special Release Bond is written entirely without prejudice to any rights or defenses which Advantage Arrow Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, may have, including, but not limited to, the right to restrict any appearance pursuant to Rule E(8) of the Supplemental Rules, and the right to seek dismissal of any action filed in this Court or other court under any of the Federal Rules of Civil Procedure. This Special Release Bond is intended to set substitute security for the claims alleged by PSARA in this action, and is not intended to be and is not a waiver of any rights, remedies, claims, counterclaims, or defenses that may be available to any Party. This Special Release Bond is not

to be construed as an admission of liability or as a waiver of any rights or defenses available to Advantage Arrow Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, all of which are fully reserved.

Executed on this ____ day of May, 2018

By: Advantage Arrow Shipping, LLC;

Advantage Tankers, LLC;

Advantage Holdings, LLC;

and Forward Holdings, LLC;

By: Marcus Matthews

As Attorney-in-fact

Taken and acknowledge before me as to Defendants this __ day of May, 2018

Notary Public in and for The State of Texas

Aspen American Insurance Company,

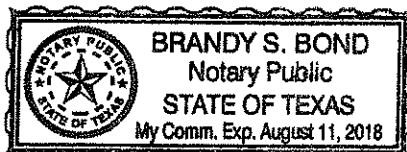
Surety

By: _____

Martha Lynn Coor

Martha Lynn Coor, Attorney-in-Fact

Taken and acknowledge before me as to Attorney-in-Fact this 11 day of May, 2018



Brandy S. Bond

Notary Public in and for The State of Texas



Aspen American Insurance Company
175 Capital Boulevard, Rocky Hill, CT 06067

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, THAT Aspen American Insurance Company, a corporation duly organized under the laws of the State of Texas, and having its principal offices in Rocky Hill, Connecticut, (hereinafter the "Company") does hereby make, constitute and appoint: Michael Lance Abbott; Martha Lynn Coor of BevCap Management, LLC its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge on behalf of the Company, at any place within the United States, the following instrument(s) by his/her sole signature and act; any and all bonds, recognizances, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto, and to bind the Company thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Company. All acts of said Attorney(s)-in-Fact done pursuant to the authority herein given are hereby ratified and confirmed. This appointment is made under and by authority of the following Resolutions of the Board of Directors of said Company effective on April 7, 2011, which Resolutions are now in full force and effect;

VOTED: All Executive Officers of the Company (including the President, any Executive, Senior or Assistant Vice President, any Vice President, any Treasurer, Assistant Treasurer, or Secretary or Assistant Secretary) may appoint Attorneys-in-Fact to act for and on behalf of the Company to sign with the Company's name and seal with the Company's seal, bonds, recognizances, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said Executive Officers at any time may remove any such appointee and revoke the power given him or her.

VOTED: The foregoing authority for certain classes of officers of the Company to appoint Attorneys-in-Fact by virtue of a Power of Attorney to sign and seal bonds, recognizances, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, as well as to revoke any such Power of Attorney, is hereby granted specifically to the following individual officers of Aspen Specialty Insurance Management, Inc.:

Michael Toppi, Executive Vice President, Scott Sadowsky, Senior Vice President, Kevin W. Gillen, Senior Vice President, Mathew Raino, Senior Vice President, Ryan Field, Senior Vice President, Timothy P. Griffin, Vice President, Casey Sullivan, Vice President, Keith Flannery, Vice President, Mary Duroska, Vice President, Frank Campiglia, Vice President and Ray Philippon, Assistant Vice President.

This Power of Attorney may be signed and sealed by facsimile (mechanical or printed) under and by authority of the following Resolution voted by the Boards of Directors of Aspen American Insurance Company, which Resolution is now in full force and effect:

VOTED: That the signature of any of the Officers identified by title or specifically named above may be affixed by facsimile to any Power of Attorney for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any and all consents incident thereto, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company. Any such power so executed and certified by such facsimile signature and/or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking so executed.

IN WITNESS WHEREOF, Aspen American Insurance Company has caused this instrument to be signed and its corporate seal to be hereto affixed this 6th day of June, 2017.

STATE OF CONNECTICUT

SS. ROCKY HILL

COUNTY OF HARTFORD

Aspen American Insurance Company

Michael Toppi, Executive Vice President

On this 6th day of June, 2017 before me personally came Michael Toppi, Executive Vice President to me known, who being by me duly sworn, did depose and say; that he/she is Executive Vice President of Aspen American Insurance Company, the Company described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the Company by authority of his/her office under the above Resolutions thereof.

Vanessa Arias
Notary Public

My commission expires: 2/28/2019

Vanessa Arias
Notary Public
State of Connecticut
My Commission Expires February 28, 2019

CERTIFICATE

I, the undersigned, Michael Toppi of Aspen American Insurance Company, a stock corporation of the State of Texas, do hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the Boards of Directors, as set forth above, are now and remain in full force and effect.

Given under my hand and seal of said Company, in Rocky Hill, Connecticut, this ____ day of _____, _____

By: *Michael Toppi* Name: Michael Toppi, Executive Vice President



* For verification of the authenticity of the Power of Attorney you may call (860) 760-7728 or email: Patricia.Taber@aspen-insurance.com

EXHIBIT E

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

PSARA ENERGY, LTD.

CIVIL ACTION

VERSUS

NO. 18-4111

SPACE SHIPPING, LTD., ET AL

SECTION "B"(2)

ORDER

A *Rule E(4)(f)* hearing was held on Wednesday, May 16, 2018, with counsel for the parties, Plaintiff Psara Energy and Defendant Advantage Start Shipping. The Court found Plaintiff's valuations in the newly submitted evidence to be excessive. Pursuant to oral reasons given in open court, including that mentioned above,

IT IS ORDERED that \$800,000.00 is sufficient additional security for fair valuation of Plaintiff's claim in order to cover reasonable towage costs that was heretofore unavailable when fair value computations were originally made in related proceedings in the Eastern District of Texas. This additional security is also given in reliance upon the decision by the latter jurisdiction of which neither party ever sought reconsideration or appeal. Suitable security may be made in the form of cash, bond, or combination thereof, using the form approved in the related Eastern District of Texas proceeding.

IT IS FURTHER ORDERED that the parties are to submit memoranda on the propriety of transferring this action to the Eastern District of Texas, or staying this action pending resolution of the underlying arbitration proceedings in London, England. Such memoranda is to be submitted **no later than fourteen (14) days from entry of this Order.**

New Orleans, Louisiana, this 18th day of May, 2018.


SENIOR UNITED STATES DISTRICT JUDGE

EXHIBIT F

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

PSARA ENERGY, LTD.

VS. Civil Action No. 18-4111
Section "B"
New Orleans, Louisiana
May 16, 2018 at 4:00 p.m.

SPACE SHIPPING, LTD., ET AL.

TRANSCRIPT OF MOTION HEARING
HEARD BEFORE THE HONORABLE IVAN L.R. LEMELLE
UNITED STATES DISTRICT JUDGE
DAY 2

APPEARANCES:

FOR THE PLAINTIFF: GEORGE A. GAITAS
JONATHAN MICHAEL CHALOS
Gaitas, Kennedy & Chalos, PC
6250 Westpark Drive
Suite 222
Houston, TX 77057

FOR THE DEFENDANT: KEVIN J. LAVIE
Phelps Dunbar, LLP
Canal Place
365 Canal Street
Suite 2000
New Orleans, LA 70130

MARC MATTHEWS
Phelps Dunbar, LLP
Allen Center
500 Dallas Street
Suite 1300
Houston, TX 77002

Official Court Reporter: Nichelle N. Drake, RPR, CRR
500 Poydras Street, B-275
New Orleans, Louisiana 70130
(504) 589-7775

Proceedings recorded by mechanical stenography,
transcript produced via computer.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

2

3
4

5
6

7
8
9

10

11
12
13
14
15
16

17

18

19

20

21

22

23

24

25

1 The Defendant shipowners were given an opportunity
2 then to respond to that report. They submitted a memorandum
3 that basically said that they did not have an opportunity to
4 obtain someone, like a salvage or other type of expert, to
5 respond, but they urged that the Court not consider this
6 information from the Plaintiff on the basis that the Texas --
7 the Magistrate Judge in Texas, who gave his valuation, a fair
8 value of the Plaintiff's claim as well as some other
9 information, did not include a valuation or an estimate for
10 towage costs.

11 Clearly, when I read the Magistrate Judge's opinion,
12 he indicated that neither side had information concerning the
13 towage costs. But in the memorandum from the Defendants that
14 I received here, you argued in here, Mr. LaVie, on page -- on
15 Page 1, Numbered Paragraph 1, that "towage costs were in fact
16 considered in Texas. The Court ruled that the Plaintiff had
17 failed to submit satisfactory evidence." You have in parens,
18 "the burden being on the Plaintiff to do so." "The
19 Plaintiff" did not -- "had not requested an adjournment to
20 enable it to submit such evidence and did not make the
21 excuses it now makes for not having provided such evidence."
22 You go on to state that "the Texas Court accordingly ruled
23 that no allowance would be given in respect to towage costs."

24 I didn't interpret the Magistrate Judge's ruling as
25 saying that if towage costs would have been presented that he

1 would have rejected or excluded it. I know that in reaching
2 a fair value for the claim the Magistrate Judge considered
3 evidence from both the Plaintiff and the Defendant rejecting
4 the Plaintiff's evidence concerning fair value on the basis
5 that the valuation given was not -- either wasn't credible or
6 didn't have sufficient indication of trustworthiness for
7 reasons concerning the background of the evaluator for the
8 Plaintiffs as well as some other things. He thought it was
9 speculative without any real support.

10 His ruling in that regard, as I stated yesterday, is
11 the law of the case as far as I'm concerned. But I go back
12 to what I said earlier, yesterday as well as today. I got
13 the indication from reading his opinion, which is what I'm
14 going by, that -- that he would have considered towage costs
15 had that evidence been presented to him. Your argument here
16 seems to suggest that he wouldn't have allowed towage costs.
17 Or is it simply that he didn't allow it because he didn't
18 have evidence of it at the time?

19 MR. LAVIE: Well, our argument remains primarily,
20 Your Honor, that you should not have multiple bites at the
21 apple. This was all litigated. And we had two ships tied up
22 for long periods of time. This one's still tied up for a
23 claim that was originally stated to be \$19 million, which was
24 ultimately found to be \$2.6 million plus maybe towage costs.
25 That's an abuse of situation. It's an abuse of process.

1 There is some requirement of specific -- specific
2 pleading in getting your ducks in a row when you go to a
3 hearing. We went to that hearing in Texas, and that was
4 their opportunity to present it. That's our primary
5 argument.

6 We're also --

7 THE COURT: But, again -- go ahead.

8 MR. LAVIE: Yeah, if I may.

9 We've also kind of sat back and wondered why the
10 towage costs weren't included, and there's always been a
11 suspicion here that there's really no attempt to salvage this
12 vessel or to tow it anywhere or to do anything with it.

13 THE COURT: Well, I was going to get to that point
14 because I was going to address that with your opponent.

15 Your other part of the argument, among other things,
16 was that if it is indeed "a wreck" as the Plaintiff
17 characterized it yesterday as well as in the Southern
18 District of Texas, that's not worthy of anything other than
19 salvage, breaking it apart, selling the scrap metal or what
20 have you, then why do you need to tow it? But I'm going to
21 save that for your opponent.

22 My question for you though is -- while you're
23 correct, you should only be given one bite at the apple, and
24 if you're given an opportunity then to present your evidence,
25 then you can't come back later and try to either re-litigate

1 something that's already been litigated or present something
2 new that you -- you had a reasonable amount of time to
3 present at the original hearing as opposed to later.

4 As you know, the case law allows for new evidence to
5 be presented where there is a -- a reasonable basis why it
6 was not available at the time of the original hearing. So
7 there is an exception to that rule.

8 You argue I know in your memo that you thought that
9 the Plaintiff had sufficient time to obtain the towage
10 estimate that's given to me, but I think you had also stated
11 something to the effect that you believe they already had it
12 at the time of the Texas proceeding?

13 MR. LAVIE: Well, no. What we state very clearly is
14 that they moved for a continuance of this whole hearing on
15 Monday, which was the 14th of May. In the valuation they
16 ultimately produced, which they claimed they needed time to
17 produce, it's dated May 10th, which is just another example
18 of what we're fighting here where nothing's a square solid
19 target.

20 Again, they came into the court on Monday and said,
21 "We need time for valuations." The Court did not grant that,
22 and all of a sudden, they produce a valuation from May 10th,
23 which, again, gave us no opportunity to respond because had
24 we got it on May 10th, we would have had more than 24 hours
25 to try to get some valuations.

1 THE COURT: When was the Magistrate Judge's ruling?
2 May 7th? 3rd? What was it?

3 MR. LAVIE: May 4th.

4 THE COURT: May 4th.

5 MR. LAVIE: The hearing was held on April 30th, so
6 actually they had from April 30th to May 4th to get
7 information then and to try and supplement that record
8 because I believe -- and Mr. Matthews can talk if we need him
9 to, but I believe the issue must have been addressed during
10 the hearing.

11 They knew then that they didn't have the evidence.
12 They had until -- until May 4th to produce it. And then, of
13 course, they also could have asked for some prompt
14 reconsideration of that or motion to supplement even after
15 May 4th.

16 THE COURT: Did they -- did they seek an extension of
17 the hearing to get that information?

18 MR. LAVIE: No, Your Honor.

19 THE COURT: I know we talked yesterday about checking
20 the record in Texas, and I didn't see, nor any of the lawyers
21 indicated, any post-hearing appeals or reconsiderations. Is
22 that still the case to your knowledge?

23 MR. LAVIE: Yes, to my knowledge, correct, Your
24 Honor.

25 THE COURT: What about the status of the London

1 arbitration proceedings? Are you all in a position to tell
2 me anything about what's the status of that?

3 MR. LAVIE: I think Mr. Gaitas may be in this case
4 longer than the two of us here, but my understanding is that
5 their -- their claim has been put forth. I don't think our
6 defense has yet been filed. If it has been filed, it's only
7 been recently. So the arbitration is still fairly new.

8 THE COURT: You said something --

9 MR. LAVIE: And to be clear, Your Honor, the
10 arbitration -- and I'm sorry to interrupt. But the
11 arbitration is against Space Shipping. And, of course, here
12 we're dealing with alter-ego fraudulent transfer. Advantage
13 Tankers or Advantage Start Shipping, we are not a party to
14 that arbitration. They are seeking security if they can
15 pierce these corporate veils, which they already failed to do
16 in 2016 in very similar litigation.

17 So we're not a direct party to the arbitration. Of
18 course, we tried to find out some aspects about it, and I
19 think that's where the status stands, but, you know, I can't
20 verify that.

21 THE COURT: Now, there were two Texas Federal Court
22 proceedings, one in Southern Texas and one in East Texas,
23 correct?

24 MR. LAVIE: Yes, Your Honor.

25 THE COURT: The one in Southern Texas in 2016 led to

1 a dismissal on the merits and vacating the attachment. And I
2 take it there's been no appeals or anything of that
3 proceedings to your knowledge?

4 MR. LAVIE: I'll defer to others.

5 MR. MATTHEWS: If I may, Your Honor --

6 THE COURT: Again, for the record, your name.

7 MR. MATTHEWS: Marc Matthews.

8 My understanding, Your Honor, is that Magistrate
9 Stacy entered her memorandum and recommendation. There may
10 have been objections filed to that, but the underlying case
11 was resolved prior to the District Judge adopting that
12 memorandum and recommendation.

13 THE COURT: How was it resolved?

14 MR. MATTHEWS: I was not a party to that, so I'm not
15 exactly -- I don't -- I can't speak to exactly what the
16 resolution was, Your Honor.

17 THE COURT: It sounds like an amicable resolution.

18 MR. MATTHEWS: I believe it was.

19 THE COURT: As you know, even the District Judge's
20 opinion that's the subject of appeal that -- that settled
21 before the Appellate Court renders a decision is not
22 ordinarily given any presidential value. But the Eastern
23 Texas proceedings is the main one that I was concentrating
24 on. It's the most recent one. It's the one where there was
25 a full hearing, no appeals, no post-trial proceedings that I

1 know of, seeking appeal of that Magistrate's ruling to the
2 District Court or even to the Appellate Court. My statements
3 before concerning it being the law of the case remains.

4 But I don't get the impression from that Magistrate
5 Judge's actual opinion that they would have excluded evidence
6 of towage costs had it been presented to them or that it
7 would automatically be excluded if the Plaintiff was able to
8 show reasonable basis why it was not produced at that
9 original proceedings. You're arguing to me that by the fact
10 that they were able to produce it, a few days after getting
11 notice of these proceedings, coming to hearing yesterday,
12 which was May 15th, that they had this estimate. At least it
13 was dated May 10th.

14 All right. Anything else from your side?

15 MR. LAVIE: No, Your Honor.

16 THE COURT: Well, I do have one other question. I'm
17 sorry.

18 You propose as an alternative and, again, you state
19 "and only given the massive losses being suffered due to the
20 detention of your client's vessel that no more than an
21 additional 800,000 to \$1 million in security above the
22 \$1.4 million cushion that the Magistrate Judge in Eastern
23 Texas gave should be ordered which more than adequately
24 secures the claim for towage costs during the spring or
25 summer."

1 Is that a best-guess estimate, or is that based on
2 something else?

3 MR. LAVIE: Well, what we're basing it on is the
4 estimate they produced for towage, which we think is probably
5 high like every other estimate given. It was 2.2, I believe,
6 to 2.5 for summer or calm weather towage. So if you take the
7 1.4 million cushion that the Texas Judge allowed and add
8 \$800,000 for that, then that's an additional 2.2 million over
9 and above what he ordered for the other elements that he
10 found.

11 THE COURT: What would be the cost of a bond for 800
12 -- to secure or have substitute security for \$800,000 to
13 release the vessel and using again the bond that the
14 Magistrate Judge ultimately approved? Because I know there
15 were some issues about the original proposals.

16 MR. LAVIE: Well, it's two parts to that. The bond
17 cost, I think, is generally around two percent. But the
18 problem is that you can't obtain a bond unless you have some
19 kind of counter-security out there.

20 And what happens in some of these situations -- and
21 I'm not -- I'd have to think about this one for a second, but
22 in a normal P&I Club situation, everybody thinks if you have
23 P&I, you're fine. But, usually, the P&I Club signs off on
24 the bond, which means you only pay the two percent premium.
25 Behind the scenes, the P&I Club is asking for

1 counter-security in the full amount of the claim, either in a
2 bank letter of guarantee or something else. So, you know,
3 the actual cost is --

4 THE COURT: Can it be a pledge of security, like the
5 vessel?

6 MR. LAVIE: Sometimes you can. You're right. I mean
7 -- but, you know, here -- you know, that's a -- not -- not
8 really an option I don't think. If it's an *in rem* claim,
9 sometimes you can, maybe be able to work out something like
10 that, but there has to be some kind of counter-security. So
11 it ties up -- in one way, shape or form, it ties up
12 100 percent or close to 100 percent of the amount of the bond
13 in some type of counter-security, less than two percent.

14 THE COURT: I've seen it perfected, the bond
15 perfected, within 24 hours after, you know, the request for
16 the substitute security is made, sometimes longer. Do you
17 have any idea here?

18 MR. LAVIE: It took us a good while to get the bond
19 in Texas, and it was because of counter-security issues as I
20 understand it. It took a while -- I mean, yeah, a cash-rich
21 shipowner can usually get a bond within 24 hours. Somebody
22 else who has to look for bank guarantees or scrape together
23 money, it can take -- I think in Texas it took about six days
24 maybe, five or six days, to get the counter-security worked
25 out.

1 THE COURT: Assuming that the London arbitration is
2 proceeding on some timely footing or basis and if you get a
3 decision from the London arbitrator prior to any disposition
4 of the case here or the case in Eastern Texas, would that
5 arguably moot both actions?

6 MR. LAVIE: Yes, I think it would. If there -- I
7 mean, if there was an arbitration -- well, I'm not familiar
8 enough with -- familiar enough with the arbitration to say
9 definitively. If there's a finding that Space Shipping,
10 which is not related, which is not Advantage Shipping --

11 THE COURT: Right. I understand.

12 MR. LAVIE: -- if there's an argument that Space
13 Shipping is not liable, it definitely moots these issues. If
14 it's part of the arbitration, they're making the argument
15 there, which I don't think they are, but if they are making
16 the argument, then they have the double hurdle. They have to
17 prove Space Shipping is liable. Then they have to somehow
18 prove that these other entities are related. So I think it
19 could be a situation, if they get a decision at arbitration
20 just against Space Shipping, then I guess these issues may
21 still exist.

22 THE COURT: And I know that the question I'm asking
23 you now about the arbitration proceeding really is not
24 totally relevant to this -- this instant stage of this
25 proceeding, dealing with the vessel's security or substitute

1 security. And this next question is sort of probably the
2 same category, questionably relevant, but, you know, I guess
3 I sit up in these robes and I can ask my questions anyway.

4 What's the position of your client? Have you all
5 thought about consolidating or possibly transferring these
6 actions so that they'd be heard in one jurisdiction, one
7 venue to avoid duplicative proceedings, discovery, et cetera?

8 MR. LAVIE: We haven't thought about that. I mean, I
9 -- that all depends --

10 THE COURT: I mean, and under the rules, if you're
11 just talking about, say, venue issues, it's -- we go at a
12 first-filed rule. But, again, I didn't know what position
13 the parties were in in that regard.

14 MR. LAVIE: Yeah. We've been too busy with
15 everything else to think about that. I mean, generally, I --
16 certainly we always recommend --

17 THE COURT: All right. Because that --

18 MR. LAVIE: It saves everybody --

19 THE COURT: -- would be my next step, once we resolve
20 this thing, is to consider a transfer to Eastern Texas.

21 MR. LAVIE: We don't know which -- I mean, I don't
22 know which one was filed first. They were filed the same
23 day.

24 THE COURT: Oh, they were?

25 MR. LAVIE: Yes, sir. And so I don't -- I guess you

1 would have to look at -- you know, bar in agreement of the
2 parties, you may have to look at exactly what time one was
3 filed, but they were both filed on April 20th.

4 THE COURT: I was frankly surprised though that the
5 Texas Federal Courts, Southern and Eastern, were still using
6 the magistrates for this purpose, for vessel seizure
7 purposes. That surprised me, but that's neither here nor
8 there.

9 Let's go to your opponent.

10 MR. GAITAS: Yes, Your Honor.

11 May I address some of the questions that Your Honor
12 asked?

13 THE COURT: Please.

14 MR. GAITAS: My friend did not have answers for them
15 because he didn't know, for example, the arbitration.

16 The arbitration points of claim were served on Space
17 Shipping, Limited, more than two months ago, and they have
18 not served a response, which is due 14 days after they are
19 served. They have asked the -- I was informed today that
20 they have asked for some more time and they identified within
21 a week or two.

22 One thing I would like to correct on the record is
23 that we did not move the Court for a continuance on the 14th
24 of May. We did so yesterday, the 15th, and we did get the
25 continuance. We have filed nothing on -- as far as I know on

1 earlier in -- in these proceedings apart from the application
2 for the attachment for Advantage Start.

3 THE COURT: But more importantly, did you seek an
4 extension or continuance of the Eastern Texas proceeding?

5 MR. GAITAS: We did not, Your Honor, because it
6 was -- the attachment there was getting extremely expensive.
7 It was \$10,000 a day dockage. So because we had done both of
8 these attachments almost simultaneously because of concerns
9 over the solvency of these defendants and especially the size
10 of the market these two ships had, we let go of that one and
11 proceeded to seek the additional security, which we felt that
12 we -- we could ask for from this Court.

13 THE COURT: So what are you paying for dockage in
14 this attachment?

15 MR. GAITAS: Much smaller, Your Honor. It is --
16 there is no dockage. It's anchorage dues. It's in the --
17 the ship is in Plaquemines Parish, and they have a much
18 smaller tariff. And it is in the range of -- I would say
19 below \$5,000 for the first 15 days. So that makes -- makes
20 economic sense.

21 THE COURT: What about the idea of -- you know,
22 you're telling me for practical business reasons you did not
23 seek an extension, but, again, you had a legal right to do so
24 and that in addition you thought that the attachment here
25 would somehow give you whatever security you think you

1 needed. Was that even raised with the Magistrate Judge or
2 presented to the Magistrate Judge as to why you didn't give
3 towage cost estimates?

4 MR. GAITAS: It was -- it was raised with the -- the
5 towage cost estimate or lack thereof, Your Honor, was raised
6 at the Rule E4(f) hearing. I raised it and I pointed that we
7 did not have that evidence on hand, that this was an element
8 necessary to enter in the calculation. I mentioned I believe
9 the Indian Ocean has the range of -- warships are broken up
10 generally, up over other places, and we didn't have that
11 figure. I mean, I was --

12 THE COURT: There's no -- there's no closer companies
13 that could break up the ship as you -- as you put it?

14 MR. GAITAS: Your Honor, yes. There is -- there is
15 and it is included in the valuation of Mr. English who gave
16 in addition to the valuation of the hull, if she was in
17 repaired state. He also gave a valuation of the vessel as
18 scrap where she lies.

19 I was puzzled by that because I'm not aware of any
20 ship breakers in the Caribbean. And I learned that there is
21 a ship breaking facility in Corpus Christi, and that would
22 fetch a price of \$3.6 million if she was to be demolished
23 there.

24 THE COURT: What would be the towage from, what,
25 Trinidad I think to --

1 MR. GAITAS: That -- it would not figure, Your Honor,
2 in the equation from Trinidad to Corpus -- to go to Corpus
3 because that is as is, where is. So that would burden the
4 ship breaker.

5 THE COURT: Well, I'm not certain I understand your
6 position in that regard if there's a ship breaker in Corpus
7 and it could be towed to Corpus from its present berth. That
8 would seem to mitigate the towage cost amount as opposed to
9 going to India.

10 MR. GAITAS: It would, Your Honor, but the difference
11 is the price in India would be double the price for the
12 scrap. The owner --

13 THE COURT: Well, there's a give and a take when you
14 talk about other contingencies as well, the profitability of
15 being lost to bad weather. I mean, who wants to tow "a
16 wreck," as you put it --

17 MR. GAITAS: Your Honor --

18 THE COURT: -- across the open seas?

19 MR. GAITAS: Your Honor, it is a wreck, but she is
20 54,000 pounds of steel. We're talking about the gross weight
21 of the vessel. That's a lot of steel and it commands --
22 scrap commands evidently a very high price. And if you
23 deliver to the ship breakers --

24 THE COURT: And you're going around the Cape?

25 MR. GAITAS: She would go around the Cape of Africa,

1 Your Honor, because she cannot go through the Panama Canal.
2 She's not fitted for that. And I think it's a higher risk to
3 go down the Magellan. She wouldn't fit through the canal for
4 sure.

5 One thing that I would like -- and I think the Court
6 has picked up on this point, but I want to add something. In
7 the Southern District of Texas, there was never a *vacatur* of
8 an attachment by the plaintiff of any action. There was a
9 dismissal by consent of the parties as the Court noted, and
10 it was by reason of a settlement of outstanding claims
11 against Space Shipping that were settled for approximately
12 \$7 million. And in return, there was a dismissal and the
13 return of cash bond to be deposited for the release of three
14 vessels. That was what was left over after it -- they were
15 interim settlements.

16 THE COURT: So there was a release of vessels
17 pursuant to the settlement?

18 MR. GAITAS: There was a -- there was a -- all three
19 vessels -- and I can give you -- if it will be useful for the
20 Court, I will give you the civil action number.

21 There was a cash deposit without a challenge. There
22 was no challenge to the attachment at the time of the
23 attachment. They were released by cash deposit.

24 THE COURT: My only question was, did that settlement
25 lead to release of the vessels?

1 MR. GAITAS: Oh, yes, Your Honor. The vessels were
2 released way before -- before the settlement, way before the
3 settlement --

4 THE COURT: All right.

5 MR. GAITAS: -- with cash deposit.

6 THE COURT: All right.

7 MR. GAITAS: This argument --

8 THE COURT: So if you were able to get this salvage
9 estimate within a few days for our purposes here, why wasn't
10 it possible in Texas?

11 MR. GAITAS: The statement -- frankly, Your Honor,
12 when we went through the Rule E4(f) hearing, we didn't have
13 the estimate. We asked for it subsequently when the Court,
14 the Magistrate Judge, gave his reasons. And you have to go
15 in the market and look for it because people are reluctant to
16 commit because of the hold --

17 THE COURT: How did you ask for it from the
18 Magistrate Judge?

19 MR. GAITAS: I did not ask for -- I think I was
20 misunderstood.

21 THE COURT: Okay.

22 MR. GAITAS: I didn't ask -- I made the point in
23 argument that the scrap -- the scrap value has to be modified
24 by the cost of the scraping plans, the towage, because this
25 is a dead ship.

1 THE COURT: But if you don't ask for it, couldn't
2 that be considered a waiver?

3 MR. GAITAS: Your Honor, I asked for -- I asked for
4 this. I did not at the time have the evidence. I did not.
5 And I presented it to this Court when I had the evidence on
6 hand.

7 As for the dates, my opponents have said that on the
8 10th we had the estimate. The estimate was issued on the
9 10th, but we did -- where were we going to file it on the
10 10th? There was no Rule E4(F) here.

11 The ship in Houston was released against the bond
12 which was posted on -- when was it posted?

13 MR. CHALOS: The 7th. Or the 4th.

14 MR. GAITAS: No. No.

15 MR. CHALOS: A week later.

16 MR. GAITAS: Yeah.

17 It was released, but the bond was -- the bond was
18 provided on the 11th.

19 THE COURT: What's the status of the Texas
20 proceedings? Do you have a hearing date, another hearing
21 date, trial date?

22 MR. GAITAS: No, we do not have another hearing date.
23 The Magistrate is going to -- the Magistrate Judge is going
24 to consider other arguments in the case that go to issues of
25 successor corporation and fraudulent transfer. But what the

1 Judge wanted to do is let the ship go.

2 THE COURT: So do you have dates for those hearings
3 yet?

4 MR. GAITAS: Not yet, Your Honor.

5 THE COURT: The Magistrate Judge in that case, is the
6 Magistrate Judge proceeding by reference of the Court and
7 consent of the parties for all proceedings or just limited?

8 MR. GAITAS: It was by -- by order of the Court.

9 THE COURT: So there's no what we call a 636(c)
10 consent for the magistrate to enter final judgment on the
11 merits?

12 MR. GAITAS: No, not -- Your Honor, not yet.

13 THE COURT: What's your response to their alternative
14 suggestion of an \$800,000 substitute security?

15 MR. GAITAS: Your Honor, that would not even come
16 close to securing the owners because of -- of the CV STEALTH.
17 Because if you take -- if you take the numbers, it is -- it's
18 impossible to get -- we had a hard time finding a contractor
19 to commit.

20 THE COURT: Well, let's take the Magistrate Judge's
21 determinations, as I said, as the rule of law in this matter,
22 the rule of case. Two point, what, seven million dollars is
23 what -- a little less than three million is what they
24 estimated your fair value to be of the wreck I think?

25 MR. GAITAS: Yes, Your Honor.

1 THE COURT: They gave you a cushion of another \$1.3
2 or \$4 million.

3 MR. GAITAS: Yes.

4 THE COURT: And that cushion was, I would imagine,
5 which is in their discretion, to do for maybe some other
6 costs or what have you that they didn't have, like towage,
7 even though they didn't give a figure for that. And here
8 they're alternatively suggesting an additional 800 to that
9 1.4 to raise it up to \$2.2 million in cushion, plus a 2.7.
10 That's a pretty good amount based upon what I'm hearing from
11 you.

12 MR. GAITAS: About these numbers, Your Honor, if
13 they're put together, they add up to approximately five to
14 six million dollars and five with -- five or six million
15 dollars cannot go in the market and buy a 2005-built Aframax
16 tanker.

17 THE COURT: You know, again, though, you all had a
18 right to appeal the Magistrate Judge's decision back then and
19 you didn't. That -- if it's final, which appears to be that
20 it is, why shouldn't I give the Magistrate Judge's ruling
21 preclusive effect, like I said, as a rule of law that -- rule
22 of case I would apply here. Even though it's not in this
23 case, I certainly can adopt it by reference. You seem to be
24 re-urging your claim for a \$18, \$19 million claim.

25 MR. GAITAS: No, Your Honor. I would moderate -- I

1 would moderate the amount.

2 THE COURT: So what -- I don't follow you. You say
3 that a five or six million dollar amount in security is not
4 sufficient to cover what the Magistrate found to be fair
5 value plus additional cushions, theirs as well as what's
6 being proposed by your opponent.

7 MR. GAITAS: It is not, Your Honor, because it is the
8 value -- the replacement value of the ship. She's -- she is
9 a total loss, cannot be repaired. It will take in excess of
10 \$30 million I'm told to repair her.

11 And the equitable rule that the English follow -- and
12 think an American court would follow -- is the replacement
13 value of the ship. That's --

14 THE COURT: Have you all -- and your opponent says
15 you've been in the case longer than he has. Has there been
16 any discovery, informal or formal, about how the vessel got
17 to be "a wreck," as you call it, in Venezuela?

18 MR. GAITAS: Yes. Yes, Your Honor. There has been
19 some discovery, but it not -- it does not address how it came
20 to become a wreck.

21 The claim comes under a warranty of the Defendants to
22 indemnify the owners for whatever happens to the ship, by
23 reason or for trade. So if she was chartered to someone who
24 was a bad charterer, sub-charterer, bad chartering, sent to
25 jurisdiction such as the one where she was sent and she was

1 arrested for criminal actions of the charterer, the liability
2 is there. And the arbitrator have held consistently that
3 until redelivery, Space Shipping is liable for the hire, and
4 we believe ultimately they will be held liable for the damage
5 of the ship, the total -- total loss.

6 If I may add voluntarily about Space Shipping,
7 Limited, Your Honor, it's a special purpose vehicle as they
8 call them. It's a Maltese company. It was sold by Geden
9 Holdings, Limited, which was -- is also performance
10 guarantor, to an employee in 2017 for 2,300 euro. I think
11 this is a clear indication of how much our charter is worth.

12 THE COURT: Here's my concern --

13 MR. GAITAS: This is why -- this is why --

14 THE COURT: I didn't interrupt you, Counsel.

15 MR. GAITAS: I beg your pardon, Your Honor?

16 THE COURT: I did not interrupt you.

17 MR. GAITAS: I'm sorry.

18 This is --

19 THE COURT: When we talk about court rulings and we
20 talk about relief from court rulings, I look at not just the
21 legal recourses, but practical considerations too. And I'm
22 saying all of this to come to a concern that I had when I saw
23 these different proceedings, that when you are dissatisfied
24 by a ruling that doesn't give you the valuation that you were
25 seeking, the question becomes, well, what relief should you

1 take? Should you appeal or seek reconsideration of the
2 adverse ruling to your client's interest? Or do you keep
3 attaching vessels in hopes that you'll get, as you put it,
4 additional securities?

5 Problem with that is, if you don't exhaust your
6 appellate grounds for relief and if ultimately there's a
7 ruling that the attachment should not have -- even have been
8 made, it's evidence then of possible bad faith. I'm not
9 saying that occurred here. I'm just saying those are the
10 practical and legal considerations that I'm certain you
11 discussed with your client, they're aware of and authorize
12 you to take the actions that you're taking here. I'm not
13 holding you accountable for that. You're dealing with a
14 client that I imagine gives you instructions to proceed based
15 on whatever advice you're giving them.

16 I just hate to see a series of attachments because
17 you want additional security and the reason you want
18 additional security is because you got a magistrate's ruling
19 that didn't give you the valuation you thought you should get
20 on fair value of the so-called "wreck," when the other
21 recourse, the natural recourse, would appear to me to have
22 been an appeal or reconsideration of that ruling. And that
23 would have been easy by simply appealing the record to the
24 district judge.

25 I know you're saying practical considerations

1 prevented you or led to the business decision to not appeal
2 or seek reconsideration, but there's also practical
3 consideration too that when you seize another vessel, that
4 issue is going to follow the cases. But, again, I'm not
5 making accusations. I'm just pointing out some concerns that
6 people may have to address later on.

7 I've heard enough in this case. I believe that the
8 Plaintiff's valuations here are excessive. I believe that
9 additional cushions were made by the -- in the Texas
10 proceedings of about \$1.4 million and I believe that the
11 alternative suggestion here offered by the Defendant is both
12 reasonable and, in my opinion, very complementary, because
13 I've not really got, to my total satisfaction, the reason why
14 that estimate of towage costs was not presented at the Texas
15 proceedings. But I'm going to add an additional \$800,000 to
16 the cushion you already have from the Eastern District Court
17 proceedings on the basis that we have that discretion, on the
18 basis that your claim, including the fair value, as given by
19 the Eastern District Court, was reasonable and it's final.
20 It wasn't appealed or subject to reconsideration. It more
21 than covers fair value plus the so-called cushion and
22 discretionary increases that the Court can make.

23 Obviously, I say that the Defendant's offer to go to
24 \$800,000 additional cushion actually puts the -- puts the
25 amount of the substitute security at either 50 percent or

1 maybe more than 50 percent of the original fair value up to
2 point-something million given by the Magistrate. I think the
3 Defendants are being generous in that regard.

4 I know it's an alternative argument. I know they
5 wanted me to rely upon excluding it entirely, but, again, I'm
6 exercising my discretion to allow an \$800,000 substitute
7 security for the vessel attached in this jurisdiction. That
8 could be made by either cash or bond. And once we do that,
9 we'll get this vessel released and moved to its next berth.

10 My next order is going to require each side to give
11 me within 14 days your memoranda on my proposal to consider a
12 transfer of this case to the Eastern District of Texas, which
13 seems to have done more than we have so far in this case
14 including getting to the point where they're actually going
15 to have some hearings on the -- on whether or not the
16 Defendants here, owners of this vessel, and the one that was
17 released in Eastern Texas are indeed the proper parties,
18 successors or what have you to the interest of the original
19 debtor. So \$800,000 substitute security, release of the
20 vessel, plus 14 days for a memoranda -- memoranda from the
21 parties on the issue of transfer to Eastern Texas.

22 There's another option, which I don't particularly
23 like doing because I have no knowledge of just how far
24 advance the arbitrations are going and how quickly it's going
25 to proceed in London. And that would have been to stay the

1 case until the arbitration in London is over with. That's
2 the least satisfactory option. I don't want memoranda on
3 that, but if you choose to give it, I'll look at it.

4 Once I get the memoranda from the parties on that
5 particular issue of transfer, then I may want to do a
6 telephone status conference with everyone just to see where
7 we're heading with this matter.

8 So anything else?

9 MR. LAVIE: One small thing, maybe just to save time
10 down the road, I'm assuming the bond in the same exact form
11 as the one in Texas would be acceptable?

12 MR. GAITAS: It would be acceptable, Your Honor, yes.

13 MR. LAVIE: I mean, perhaps not the same surety
14 because there's different lists of -- you have to be admitted
15 in certain states and all, but in terms of the form, just to
16 make sure we're okay with that, we can move ASAP to get --

17 THE COURT: You're talking about the one that was
18 approved by the Magistrate Judge?

19 MR. LAVIE: Yes, sir, Your Honor.

20 And, you know, to some extent, we needed the
21 Magistrate. We were having a little trouble agreeing on it.
22 Ultimately, we did agree on it. So, as long it's that same
23 form, we can move a lot more quickly to get it done.

24 THE COURT: Just make certain whatever you have you
25 give it to the other side before it's submitted to the Court.

1 MR. LAVIE: Absolutely.

2 THE COURT: All right. Good luck, gentlemen. Thank

3 you.

4 MR. GAITAS: Thank you.

5 MR. LAVIE: Thank you, Your Honor.

6 * * * *

7 (WHEREUPON, the proceedings were adjourned 4:43 p.m.)

8 * * * *

9 REPORTER'S CERTIFICATE

10 I, Nichelle N. Drake, RPR, CRR, Official Court

11 Reporter, United States District Court, Eastern District of

12 Louisiana, do hereby certify that the foregoing is a true and

13 correct transcript, to the best of my ability and

14 understanding, from the record of the proceedings in the

15 above-entitled and numbered matter.

16 /s/ Nichelle N. Drake

17 Official Court Reporter

18

19

20

21

22

23

24

25

EXHIBIT G

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

PSARA ENERGY, LTD.

VERSUS

**SPACE SHIPPING, LTD.; GEDEN
HOLDINGS LTD.; ADVANTAGE START
SHIPPING, LLC; GENEL DENIZCILIK
NAKLIYATI A.S. A/K/A GEDEN LINES;
ADVANTAGE TANKERS, LLC;
ADVANTAGE HOLDINGS, LLC;
FORWARD HOLDINGS, LLC; MEHMET
EMIN KARAMEHMET; GULSUN NAZLI
KARAMEHMET – WILLIAMS; and
TUĞRUL TOKGÖZ**

CIVIL ACTION

NUMBER: 18-04111

SECTION "B" (2)

JUDGE LEMELLE

MAGISTRATE WILKINSON

SPECIAL RELEASE BOND

TO THE HONORABLE JUDGES OF SAID COURT:

WHEREAS a Verified Complaint was filed in this Court on April 20, 2018, by Plaintiff Psara Energy, Ltd. ("PSARA") against several defendants including: Advantage Start Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC; and

WHEREAS PSARA attached property belonging to Advantage Tankers, LLC i.e., the MT ADVANTAGE START IMO No. 9466570 and international call sign V7KY9, registered in the Marshall Islands to Defendant Advantage Start Shipping, LLC, pursuant to Rule B of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions ("Supplemental Rules") to the Federal Rules of Civil Procedure; and

WHEREAS on May 11, 2018 Advantage Start Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC; made a restricted appearance pursuant to Rule E(8) of the Supplemental Rules; and

WHEREAS on May 16, 2018, the Court ordered that, to obtain release of the MT ADVANTAGE START from seizure and attachment, Advantage Start Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, may post a bond in the amount of \$800,000 as substitute security for the MT ADVANTAGE START.

NOW, THEREFORE, for the benefit of PSARA, Advantage Start Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, as principals, and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, as surety, are held and firmly bound to PSARA in the principal fixed sum of, and not to exceed, EIGHT HUNDRED THOUSAND DOLLARS (\$800,000), upon condition that if Advantage Start Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC shall abide by orders of the Court, or of any appellate court to which this action may proceed should an appeal be taken, and shall pay the amount, if any, awarded against Advantage Start Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, or any of them by final order rendered in this action, after any appeal, including any and all interest, costs and attorney's fees awarded by the Court, after any appeal, then this obligation shall be void; otherwise, it shall remain in full force.

This Special Release Bond is written entirely without prejudice to any rights or defenses which Advantage Start Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, may have, including, but not limited to, the right to restrict any appearance pursuant to Rule E(8) of the Supplemental Rules, and the right to seek dismissal of any action filed in this Court or other court under any of the Federal Rules of Civil Procedure. This Special Release Bond is intended to set substitute security for the claims alleged by PSARA in this action, and is not intended to be and is not a waiver of any rights, remedies, claims,

counterclaims, or defenses that may be available to any Party. This Special Release Bond is not to be construed as an admission of liability or as a waiver of any rights or defenses available to Advantage Start Shipping, LLC; Advantage Tankers, LLC; Advantage Holdings, LLC; and Forward Holdings, LLC, all of which are fully reserved.


Executed on this 18th day of May, 2018.

By: Advantage Start Shipping, LLC;
Advantage Tankers, LLC;
Advantage Holdings, LLC;
and Forward Holdings, LLC;

By: Kevin LaVie


As Attorney-in-fact

Taken and acknowledged before me as to Defendants this 18th day of May, 2018.



Notary Public in and for The State of Louisiana

TRAVELERS CASUALTY AND SURETY
COMPANY OF AMERICA, Surety

By:


Conway C. Marshall, Attorney-in-Fact

Taken and acknowledged before me as to attorney-in-fact this 18th day of May, 2018.


Notary Public in and for The State of Louisiana
Timothy D. DePaula
Notary No. 87857
La. Bd. No. 31699
Expires at Death



Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Conway C. Marshall, of New Orleans, Louisiana**, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **3rd day of February, 2017**.



State of Connecticut

City of Hartford ss.

By: _____

Robert L. Raney, Senior Vice President

On this the **3rd day of February, 2017**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the **30th day of June, 2021**



Marie C. Tetreault
 Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this

18 day of *May*, *2018*



Kevin E. Hughes
 Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.